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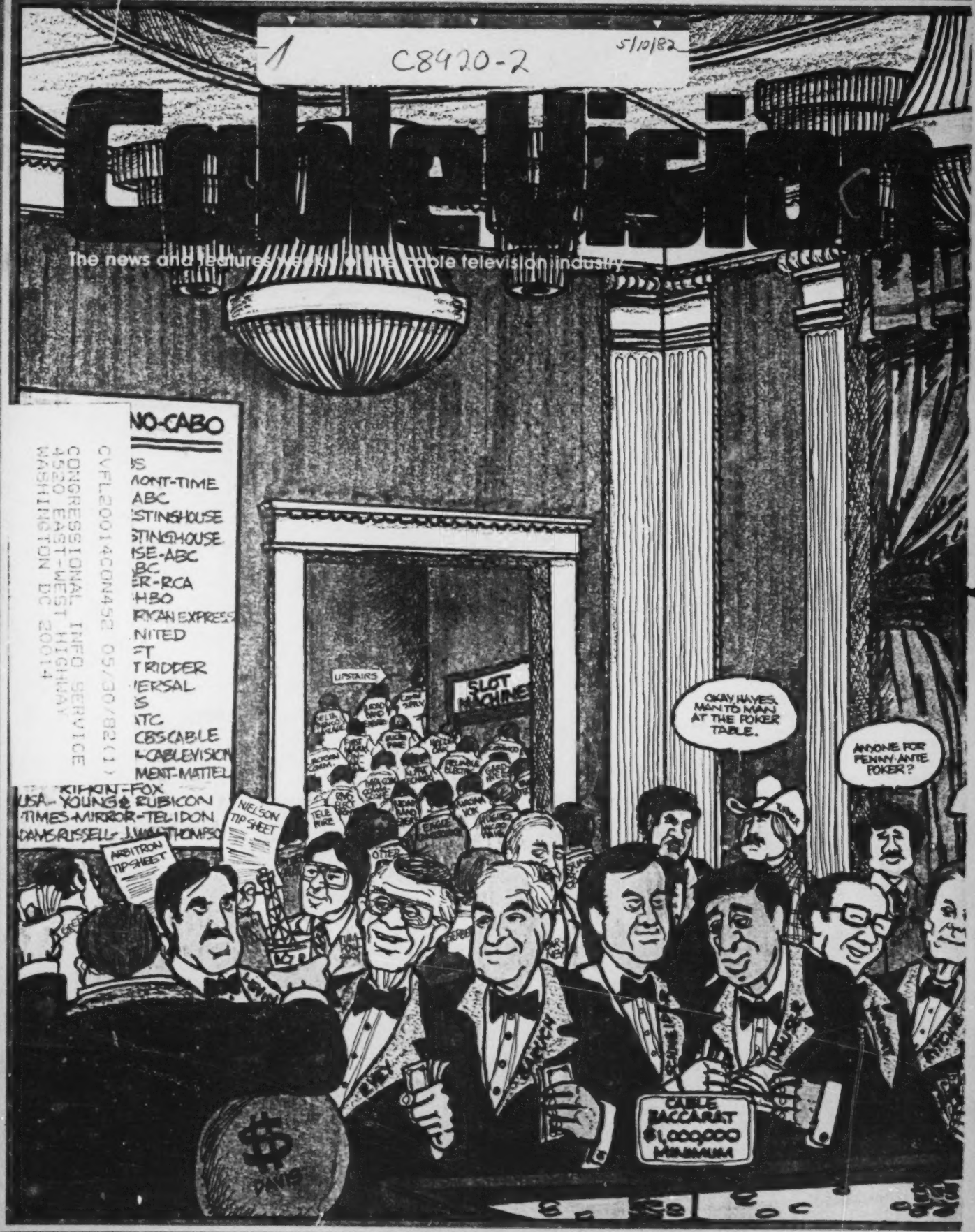
Cablevision

The news and features weekly of the cable television industry



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CableVision Volume 7, Number 35, May 10, 1982

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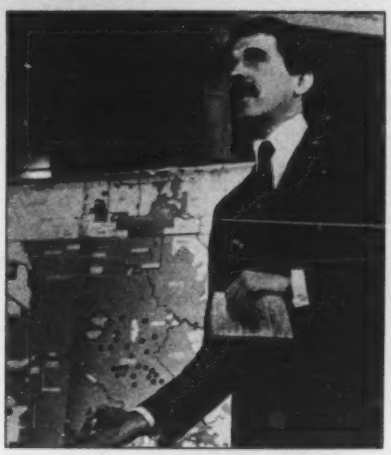

NCTA president Tom Wheeler presents graphic illustration to his points during testimony on S. 2172.

Hearings on the hill

The stakes are high in the cable regulation game judging by comments and opinions given at Senate hearings last week. **Page 21.**

High stakes

More than 16,000 conventioneers converge on Las Vegas and will find a myriad of things to occupy their time, both in and out of the convention center. **Page 21.**

Saga continues

Group W's Lloyd Werner put aside a prepared text at the Buffalo Cable Club to level blasts at Ted Turner for planning to simulcast 30 hours of CNN2 over WTBS. **Page 22.**

Group christening

Westinghouse chairman Dan Ritchie and Group W Cable chairman William Bresnan made the name changes official last week and took the opportunity to outline what those changes may mean. **Page 28.**

Analytical bet hedging

Tony Schwartz and Angela Schapiro focused their attentions on the future of the cable industry. The two very different vantage points produced interesting results. **Page 28.**

Green light

Filmways Picture shareholders overwhelmingly approved a new partnership plan. Unexpectedly, HBO maintained a low profile during that meeting. **Page 32.**

Collect calls for Ma

The deadline for comments on the AT&T divestiture were due last week and 518 poured in to the Justice Department. It seemed everyone had something different to add to the well-publicized happening. **Page 32.**

Launch mania

CableVision takes a look at the health of five cable services as take-offs are scheduled between the NCTA convention and June 30. **Page 39.**

ACE nominations

Nominations for the ACE awards are out, but unlike previous years, the finalists will not be announced at the NCTA convention. That will happen later this year. **Page 59.**

Magnified P.I.

Fresh from launching The Shopping Game, American Video Shopper will try to interest cable officials at the NCTA convention with an offering called P.I. Plus. **Page 91.**

Perspectives'

As part of this issue's theme of "Outsiders Look at Cable," *CV* sought the opinions of three groups of seasoned observers—TV critics, subscribers and cartoonists. Their commentaries are collected in this special series of articles. **Page 97.**

Top 50

CableVision presents 50 of the biggest companies that have helped to make the cable television industry not only what it is today, but also what it will become tomorrow. **Page 203.**

This week in *CableVision Plus*

Is cable its own best customer? A recent *CV Plus* survey reveals that the amount the cable industry spends promoting itself has passed the $142-million mark. Although the numbers are incomplete, it is clear that intra-cable spending is a powerful industry force. The Marketing Advertising theme continues with an examination of ad-supported networks. Seasoned cable observers assess the vitality and viability of ad-supported cable, particularly the strongest quartet of basic networks—ESPN, CNN, WTBS, and USA. **Pages 303-326.**

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New York blackout

MSOs and residents are frustrated about being kept in the dark over the franchising process in that city. Equally as irritating is the fuss in the Bronx which has stalled the entire process. **Page 297.**

Boosters fired in Clearwater

Vision Cable Communications has started its two-way interactive system in Florida and is offering a broad range of services. **Page 239.**

Legislative scorecard

Elected officials are giving cable a hard look and numerous pieces of legislation have been approved or are in the governmental process of review. *CableVision* takes a state-by-state look at where cable stands. **Page 259.**

Wheeling around

Tom Wheeler is beginning his seventh year as head of the NCTA. Wheeler allowed *CableVision* to take an up-close and personal look into the life of an executive, father and man who enjoys running along tree-lined paths. **Page 287.**

Insider's view

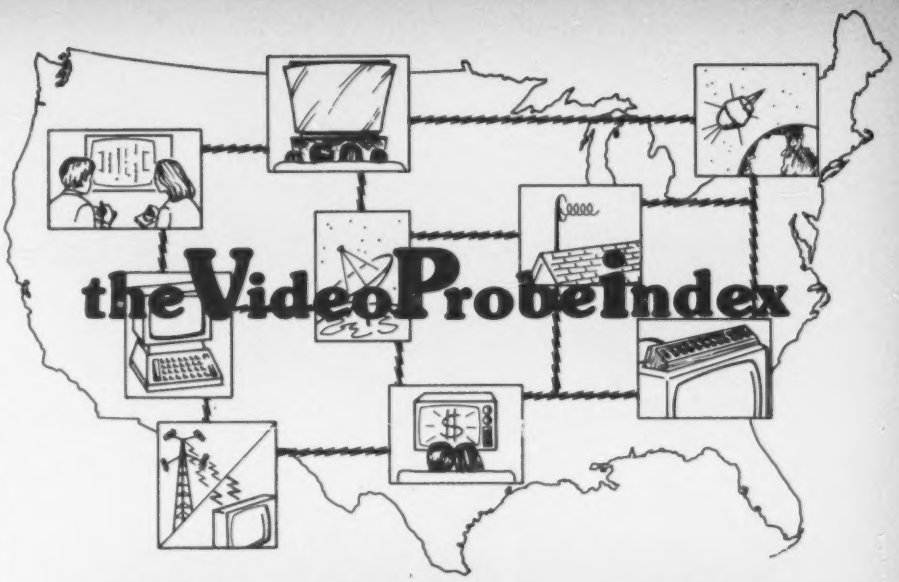
Gary Arlen takes a look at the future of cable as it applies to the American shopper and also glances back down memory lane to examine some of the less-than-successful cable attempts in the past. **Page 358.**

Dubious awards

The second annual *CableVision* Dubious Distinctions in Cable Awards give tongue-in-cheek recognition to key players on the cable playing field. **Page 327.**

A day in the life of...

The lifeblood of the industry—the system manager, the salesman, the service technician, the customer service rep and the public access coordinator—is profiled in this series. **Page 381.**



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50 of the top companies in cable

CableVision ***magazine presents 50 of the biggest companies which have helped to make the cable television industry not only what it is today but also what it most likely will become tomorrow.***

By David Ross, Maribeth Thelen and Kate Hampford

It is a familiar story by now, how CATV was born in the hills of Pennsylvania and Oregon — how enterprising appliance and TV retailers discovered the techniques of bringing signals down the mountain to potential set owners who otherwise would have poor or virtually no reception and, therefore, no incentive at all to purchase a receiver.

That was in 1948 by most estimates, and since those early beginnings the business has grown increasingly more complex. It is at the point now where it has wedded itself to computers and satellites and laser light traveling through optical fibers.

The growth in service offerings has lagged only slightly behind the development of technology, which is usually the case with innovation curves. In addition, sophisticated marketing and sales techniques are also attempting to match the increased awareness and discriminating demands of consumers who no longer perceive their needs as limited to improved reception.

The sometimes plodding, sometimes dramatic growth and innovation in the industry has always been linked to the so-called pioneers and entrepreneurs. What's more, it was a company with revenues of nearly $100 million last year which had the foresight to put a struggling UHF station up on the bird a few years ago. And, it was a so-called media giant with revenues of over $3 billion last year which had the foresight to deliver premium programming via satellite also just a very few short years ago. They are no more, nor any less, entrepreneurial than those who strung those first wires down the side of that hill back in '48.

With what is projected in terms of subscriber penetration and growth, as well as in revenues generated by new entertainment, information, security and data services, it would seem the entrepreneurial spirit of the industry will be passed along despite the fact that revenues from the industry's operating companies alone are about to approach $5 billion.

Somewhere along the way CATV became cable television, and cable television became big business. The operating results for the companies presented on the

Top 50 line-up

1. General Electric Company
2. Getty Oil Company
3. General Telephone & Electric Corp.
4. Westinghouse Electric Corp.
5. RCA Corp.
6. American Express Company
7. Gulf+Western Industries
8. CBS Inc.
9. The Penn Central Corp.
10. Time Inc.
11. Warner Communications Inc.
12. North American Philips Corp.
13. ABC Inc.
14. The Times Mirror Company
15. Pioneer Electronic Corp.
16. Tribune Company
17. MCA Inc.
18. Zenith Radio Corp.
19. Knight-Ridder Newspapers Inc.
20. Sammons Enterprises
21. Central Telephone & Utilities Corp.
22. Walt Disney Productions
23. The New York Times Company
24. General Instrument Corp.
25. Insilco Corp.
26. Dow Jones & Company
27. Capital Cities Communications Inc.
28. M/A-COM Inc.
29. Oak Industries Inc.
30. Rollins Inc.
31. Anixter Brothers Inc.
32. Wometco Enterprises Inc.
33. Cox Broadcasting Corp.
34. Playboy Enterprises Inc.
35. Harte-Hanks Communications Inc.
36. Taft Broadcasting Company
37. Scientific-Atlanta Inc.
38. Storer Broadcasting Company
39. Affiliated Publications Inc.
40. Viacom International Inc.
41. Multimedia Inc.
42. Tele-Communications Inc.
43. Augat Inc.
44. Burnup & Sims
45. Continental Copper & Steel Industries
46. Rogers Cablesystems Inc.
47. Turner Broadcasting Systems
48. Scripps-Howard Broadcasting Company
49. Heritage Communications Inc.
50. United Cable Television Corp.

Note: Ranked by total revenues.

following pages will attest to that. In what in no way could approach an all-inclusive list because of the way many of the companies involved in this business are chartered and keep their books, a precise compilation and ranking is difficult, perhaps impossible. So, what *CableVision* researcher Maribeth Thelen was asked to identify, and what writer David Ross was asked to delineate, was a financial and business profile of most of the heavyweights—companies who, by their balance sheets, already play a very major role in the business of cable television, plus those who, by the nature of their overall corporate resources and announced or generally recognized intentions, will be playing an ever-expanding role. Included are companies which are involved in providing what are generally considered the major satellite-delivered programming services, system operators with at least 10,000 subscribers and the potential to pass and connect many more, and manufacturers who have full lines of plant and/or distribution equipment.

In the months ahead, *CableVision* will be looking even more closely at the breakdowns in the distinct categories of programming, operations, hardware and service segments of the industry. For now, we will review the companies that have met the criteria above and whose financials were available to us. Wherever possible, an attempt was made to use the most current figures and information possible. Here is what we found:

Cable is indeed big business, but not always what has made a business big. For example, on the pages to follow, total revenues will range from nearly $33 million to $27.2 billion. Revenues from cable activity alone range from $19.4 million upward to $2.2 billion. Seventeen of the companies reported don't even break out their cable revenues. The figures would be even more revealing, obviously, if they did.

Fifty-six percent of these companies have ownership interests in systems. Fifty percent have interests in program services. Thirty-two percent are involved significantly in manufacturing. Thirteen of these top 50 companies are exclusively system operators. Eight are solely programmers and 12 exclusively manufacturers. In other words, 66 percent of these top companies in cable have just one area of activity, while the remaining 34 percent are involved in some combination of operations, programming, manufacturing or all three.

Of the top 10, five have multiple interests; none are exclusively cable operating companies and five have considerable broadcast holdings. Five own systems, seven are involved in programming and three are engaged in manufacturing. Of the top 10 by cable revenues (those which could exclusively be identified as such), five have multiple interests, none are exclusively in cable operations and the same five have programming interests. Five are in manufacturing, five are in programming and five operate cable systems.

Among the most apparent trends and developments found among the profiles is a propensity for experimentation in areas such as teletext and videotex, an accelerated movement of newspaper publishers into system ownership and electronic information services and the proliferation of joint ventures, not only in the structure of programming services but also in the ownership of systems as well.

Affiliated Publications Inc.

135 Morrissey Boulevard
Boston, MA 02107
(617) 929-2000
William Davis Taylor, chairman and director
John I. Taylor, chairman of executive committee, and director

Cable interests:
- McCaw Communications Inc.—(45%) 38,000 subs.
- In process of closing a joint venture with McCaw to purchase Southern Oregon Broadcasting and Pacific Teletronics Inc.
- Joint venture with Knight-Ridder to bring Viewtron, Knight-Ridder's videotex system, to Boston (pending).

Communication interests:
- Affiliated Broadcastig which owns 12 radio stations.
- *The Boston Globe* and The Globe Newspaper Company.
- Globe Pequot Press.

The owner of *The Boston Globe*, 12 radio stations, and the Globe Pequot Press (a publisher of books on New England), Affiliated Publications recently tossed its hat into the cable ring by purchasing a 45 percent interest in McCaw Communications Inc. for $12 million. The 82nd largest MSO in the nation, McCaw has more than 38,000 subscribers in Alaska and Washington.

While Affiliated moved into radio only five years ago, the long-standing publisher of *The Boston Globe* is no longer shy of the electronic media. The company worked out a deal with McCaw that will give both firms joint ownership of Southern Oregon Broadcasting, an MSO with more than 50,000 subscribers in that northwestern state, and Pacific Teletronics, a microwave company that sells interconnect equipment in California and Oregon. In addition, Affiliated is negotiating with Knight-Ridder to bring that company's videotex system, Viewtron, into Boston.

In 1981, Affiliated saw $236 million in revenues, a 14 percent increase over the $206.5 million realized in 1980. Net income reached $14.2 million, a 10 percent improvement from 1980, and assets rose 19.7 percent over that same period, to $125.6 million. The company does not break out its cable earnings.

American Broadcasting Companies Inc.

1330 Avenue of the Americas
New York, NY 10019
(212) 887-7777
Leonard H. Goldenson, chairman
Elton H. Rule, president

Cable interests:
- Alpha Repertory Television Service (ARTS)—joint venture with Hearst (1/81).
- Daytime—joint venture with Hearst (3/82 debut).
- Satellite News Channels—joint venture with Group W (8/81).
- ABC/Getty pay sports service—joint venture with Getty Oil (9/81). Debut 4/82.

Communication interests:
- 207 primary affiliated television stations.
- ABC Entertainment.
- ABC News.
- ABC Sports.
- Five television stations (100%).
- Seven FM, six AM radio stations.
- Radio Network.
- ABC Publishing.
- ABC Motion Pictures.
- ABC Scenic Attractions.
- ABC Entertainment Center.

The first of the major networks to take the cable plunge, American Broadcasting, through its subsidiary ABC Video Enterprises, is working closely with other companies to develop several programming ideas. In its initial venture, ABC collaborated with the Hearst Corporation and Warner Amex, creating a "cultural" programming service called American Repertory Television Service (ARTS). Carried on a WASEC transponder, ARTS hit the earth stations in January 1981, and, as an advertiser-supported basic service, now reaches seven million homes. A second ABC/Hearst effort, Daytime, recently premiered as a four-hour-per-day video magazine for women. Daytime also relies on advertising for revenues.

In other programming ventures, ABC is pairing with Westinghouse's Group W and Getty Oil. ABC and Group W will soon enter the cable news field with Satellite News Channels I and II, 24-hour services that will sandwich local story segments between national and international news. Meanwhile, ABC and Getty have arranged a sports programming deal that will use Getty's ESPN for bringing cable viewers pay-per-view sporting events. In exchange, ESPN will carry selected ABC Sports events on its basic service.

American Broadcasting Companies Inc. consists of ABC Television, ABC Radio, and ABC Publishing and other operations, as well as ABC Video. The television network owns five stations in major markets and has 207 primary affiliates, while the radio network owns 13 stations and has more than 1,800 affiliates. The "publishing and other" division includes such periodicals as *High Fidelity*, *Modern Photography*, and *Los Angeles Magazine*; such trade publications as the *Chilton's* automobile repair series; ABC Motion Pictures, a relatively new venture; and ABC Scenic Attractions. Besides developing cable programming, ABC Video Enterprises markets and distributes ABC programming for video and cable, develops educational programming, and licenses marketing rights to ABC names and products. The company has also filed applications for five low-power TV stations to be located in each of its owned-and-operated TV markets.

ABC reported record revenues of $2.4 billion in 1981, up from 1980's $2.28 billion. In the corporate financial breakdown, ABC Video Enterprises is listed with "scenic attractions and other." This entire category delivered $32.43 million in revenues to the corporate total, down from the $51.65 million of 1980. According to ABC, "the continuing start-up and development costs" of ABC Video Enterprises and ABC Motion Pictures "adversely affected" earnings for this corporate division. Adversity translates into a $10.6 million loss in 1981, as compared with an $11.57 million loss in 1980.

American Express Company

American Express Plaza
New York, NY 10004
(212) 323-2000
James D. Robinson III, chairman
Alva O. Way, president

Cable interests:

- Warner Amex Cable Communications—50-50 ownership with Warner Communications Inc. 146 systems in 27 states. Total subs: 900,000.
- Recent franchises (1981)—suburban Chicago, Dallas, Cincinnati, St. Louis, Pittsburgh.
- Joint venture with Atari Inc., Compuserve Inc. and Warner to experiment in Columbus, OH, to research consumer preferences regarding access to four major data banks (*NYT, Washington Post, LA Times*, Associated Press).
- Warner Amex Satellite Entertainment Company (WASEC)—MTV; Nickelodeon; The Movie Channel; agreement with Turner Broadcasting to represent all advertising sales for CNN and CNN 2; marketing and distribution of ARTS.
- QUBE interactive systems operating in Columbus and Cincinnati, OH; and Pittsburgh.

Communication interests:

- American Express Publishing—two magazines.
- Mitchell Beazley Limited and American Express Direct Response (ADR)—supplies services to the direct-mail industry.

When American Express was looking into a cable venture during the late 1970s, the company went to the fledgling Warner Cable and made an offer. While Warner would not sell out, the company was willing to part with half its interest in cable, and the Warner Amex Cable Communications partnership was born. Today, Warner Amex is the fifth largest MSO in the nation, and through its satellite programming division, Warner Amex Satellite Entertainment Company, it owns The Movie Channel, MTV: Music Television, Nickelodeon, and in partnership with ABC Video and Hearst, American Repertory Television Service (ARTS). WASEC has also arranged to represent all advertising sales for Turner Broadcasting's CNN enterprises, placing WASEC at the top in cable advertising sales. In addition, the company handles marketing and distribution activities for ARTS. Last July, Warner and American Express modified their financial agreement, and each company allocated $100 million to Warner Amex as an equity investment, superseding these companies' earlier $50 million guarantee against indebtedness.

Warner Amex operations include 146 cable systems with 900,000 subscribers. The company is engaged in a hardy franchising effort in major urban areas throughout the country. Its interactive system, QUBE is now available to subscribers in Cincinnati and Pittsburgh as well as in Columbus, Ohio, and soon will also be marketed in Houston and Dallas. In addition, Warner Amex has the largest cable security system in operation, with 5,200 subscribers, most of whom are in Columbus.

According to projected estimates for 1980 and 1981, American Express realized $109.5 million in revenues from Warner Amex in 1981, an 89 percent improvement over $58.5 million achieved in 1980. Franchise construction and QUBE expenditures in 1981, however, resulted in an estimated $10 million net income loss for American Express' share of Warner Amex that year.

Aside from its cable activities, American Express is renowned for its financial enterprises, including travelers' checks, credit cards, international banking, Fireman's Fund Insurance Company, and investment services. The company's investment holdings arise from a recent merger with Shearson Loeb and Rhoades, the second largest investment security firm in the nation, to form a new company called Shearson/American Express Inc. During 1981, American Express earned $518 million in net income, as compared with $462 million in 1980. Corporate revenues reached $7.21 billion last year, a 13 percent improvement over $6.37 billion in 1980. Corporate assets, with the Shearson merger, now exceed $25 billion.

Anixter Brothers Inc.

4711 Golf Rd. 1 Concourse
Skokie, IL 60076
(312) 677-2600
Alan B. Anixter, president
William R. Anixter, executive vice president

Cable interests:

- Buys, stores and sells electrical wire and cable products.

A major supplier of electrical wire, cable and a wide range of components and other equipment to the CATV industry, Anixter realized $441.5 million in net sales during fiscal 1981, ended July 31, a 21 percent hike from the $363.6 million achieved in fiscal 1980. The corporation consists of 14 subsidiaries, one of which, Anixter-Pruzan Inc., handles all sales and manufacturing of goods related to cable services in North America. Born in 1969 through corporate merger, Anixter-Pruzan supplies hardware, pay TV packages, video equipment, subscriber drop materials, tools, safety equipment and satellite dishes to the cable industry.

During fiscal 1981, Anixter brought two new firms under its wing: Ohm International Inc., a company that exports electrical and telecommunications products, and Automatic Equipment Development Corporation, a cable assemblies manufacturer and equipment rehabilitator for the telephone industry. Ohm International now handles all Anixter CATV sales outside North America.

Augat Inc.

89 Forbes Boulevard Box 448
Mansfield, MA 02048
(617) 543-4300
Roger D. Wellington chairman
William P. Miller, president

Cable interests:

- Manufactures cable connectors, Vitek traps, line amplifier replacement electronics, amplifiers for house drop and apartment applications.
- I.RC Electronics.
- Vitek Electronics.
- Broadband Engineering Inc.

Achieving record revenues and income during the past year, Augat Inc. credits the strong demand for CATV products as responsible for the company's improved financial performance. During 1981, Broadband Engineering joined Augat's growing list of acquired subsidiaries that provide materials and supplies for cable construction. Back in 1979, Vitek Electronics Inc. and I.RC Electronics Inc. both came under the Augat umbrella. These three subsidiaries accounted for more than 20 percent of Augat's 1981 revenues. Corporate revenues, however, fell far below the company's expected 25 percent increase, finishing the year at $173.9 million, only 7.6 percent above 1980 net revenues of $161.6 million.

Augat manufactures and supplies cable connectors, security traps, interconnection products, microcircuits, packaging subminiature switches, precision-machined parts, and, for building drops, Signal Stretcher amplifiers. The company also markets line amplifier replacement electronics.

Burnup & Sims

1333 South University Dr.
Ft. Lauderdale, FL 33324
(305) 587-4512
Nick A. Caporella, president
Michael M. Goldwire, vice president and assistant

Cable interests:
All companies design, engineer, manufacture, and install cable equipment:

- Burnup & Sims Cable Com Inc.
- Cablevision Services.
- Control Com Inc.
- Electro Products.
- Consolidated Cable Corporation.
- Gardiner Communications.
- Acquired Capscan Cable (coaxial cable manufacturer) 4/82.

Communication interests:

- Approximately 16 subsidiaries manufacture for telephone industry.

Principally concentrating its activities in the sunbelt states, Burnup & Sims has designed nearly 20 percent of the nation's cable systems. Of the company's 22 subsidiaries, six supply either engineering, installation, or maintenance services to the cable and telecommunications industry. The corporate division formed by these six subsidiaries attained $89.95 million in revenues for fiscal 1981 (through April 1981), or 43 percent of the corporate whole.

In recent years, Burnup & Sims has added several companies to the cable and telecommunications division. Gardiner Communications, a company that designs and manufactures earth stations, came aboard during fiscal 1980, and within another year, Burnup & Sims acquired Control Com, a producer of energy-management and security systems. Consolidated Cable Corporation, an installer of cable, and Electro Products, a manufacturer of standby power units, are also relatively new acquisitions, as is Capscan Cable Company, a coaxial cable manufacturer, purchased in mid-April 1982.

For the first three quarters of fiscal 1982, through January, corporate revenues reached $167.4 million, a 10 percent improvement from the $152.0 million for the same period last year. The company's $208.8 million in revenues for fiscal 1981 surpassed those of 1980 ($169.9 million) by 23 percent. Current assets through 1982's third quarter, at $144.1 million, already exceed assets compiled during the entire previous fiscal year.

In addition to its communications interests, Burnup & Sims also owns soft-drink bottling firms, movie theaters and printing facilities.

Capital Cities Communications Inc.

24 East 51st Street
New York, NY 10022
(212) 421-9595
Thomas S. Murphy, chairman
Daniel B. Burke, president

Cable interests:

- Capital Cities CATV Division—51 systems; CableCom General—43 of the 51 (7/2/81); remaining systems are owned by Capital Cities directly; total subs: 300,000.
- Fairchild Publications—publishes many periodicals including *Multichannel News*.
- Two Capital Cities newspapers are negotiating to provide information services to cable operators.

Communication interests:

- Six television stations.
- 14 radio stations, (seven FM, seven AM).
- Nine daily newspapers.
- 32 business specialized papers.
- 22 weekly community newspapers.

In 1981, Capital Cities' net revenues jumped 22 percent to $573.8 million from $472.1 million in 1980, a year in which the company ranked 485 on the *Fortune* 500. A relative newcomer to cable, Capital Cities signed on in 1980 by acquiring seven companies whose franchises at that time were largely unbuilt. Last year the company became a cable force to reckon with when it bought out Cablecom-General Inc., whose 43 systems cost Capital Cities $139 million. Today, with 51 systems and 300,000 subscribers, Cablecom/Capital Cities is the 15th largest MSO in the nation. The Cablecom purchase sparked a huge increase in cable revenues (from $30,000 in 1980 to $21.4 million in 1981), and considerably expanded the company's cable assets (now $186 million as compared with 1980's $9 million). Intending to pursue further growth through acquisition, the company refuses to immerse itself in franchising battles.

Operations are only one of Capital Cities' ventures into the cable realm. Its publishing arm is involved in several areas, ranging from electronic publishing experiments to a weekly cable/industry newspaper, *Multichannel News*, which is owned by Fairchild Publications, a subsidiary of Capital Cities. The company has arranged to bring Knight-Ridder's Viewtron, an interactive service currently being tested in Florida, to two Capital Cities newspapers, *The Kansas City Star* and the *Fort Worth Star-Telegram*. These papers are negotiating with local cable operations to provide information services. Another company newspaper, the Belleville, Ill., *News Democrat*, prepares local newscasts for that town's cable system.

In all, besides the cable operation, the company owns six television and 14 radio stations, nine daily newspapers, numerous weekly papers, specialized business publications and a small television production operation.

CBS Inc.

51 West 52 Street
New York, NY 10019
(212) 975-4321
William S. Paley, chairman
Thomas H. Wyman, president

Cable interests:

- Proposed acquisition—Black Hawk Cable Communication Company. One system in Dallas, Ft. Worth area. Subs: 17,000.
- CBS Cable—cultural programming, advertising supported.
- 4/81 testing of videotex in Los Angeles, CA (100%).
- 6/82—proposed testing of videotex with AT&T in Ridgewood, NJ.

Communication interests:

- Seven AM, seven FM radio stations.
- CBS Radio Network.
- 3/82 CBS Radio Network II.
- Five television stations.
- CBS Television Network Division.
- CBS Entertainment Division.
- CBS Sports Division.
- CBS News Division.
- CBS Theatrical Films Division.
- CBS Record Division.
- CBS Records International Division.
- CBS Video Enterprises.
- CBS Publishing Group—consumer publishing: eight magazines; educational and professional publishing.
- CBS Technology Center.

After getting off to a slow start in cable, CBS is gaining momentum on three fronts: programming, technology and operations. On the programming front, the company has launched a service appropriately dubbed CBS Cable. An advertiser-supported service received by four million subscribers in 350 cable systems, CBS Cable produces most of its programming on its own and obtains the remainder from outside sources. In addition, CBS announced a joint cable/video programming venture with 20th Century-Fox in February 1982. The new partnership will create and distribute home video products for all commercially feasible home video systems and will manufacture videocassettes. Also reportedly planned are several ad-supported and pay services for the cable industry.

On the technology front, the company is setting up a videotex experiment in Ridgewood, N.J. Known as VENTURE I, the test will provide 100 homes with two-way interactive services beginning this summer.

As for operations, CBS was granted (in September 1981) a waiver by the Federal Communications Commission, allowing CBS to acquire cable systems, provided it seek a subscriber base of no more than 90,000 homes or 5 percent of the nation's subscriber universe. Such a ruling ended the broadcast company's 11-year absence from cable system ownership. As a result of this decision, CBS submitted its first bid for the 31,000-home city of Alameda, Calif., in November 1981. The decision, however, went to United Cable Television in April 1982. Despite that setback, CBS intends to continue its cable operations through the purchase of a franchise that reaches 17,000 homes in sections of Dallas and Ft. Worth, from Texas-based Blackhawk Communications.

CBS owns five television and 14 radio stations and a network with over 200 broadcast affiliates. In addition, the company is the world's largest producer, manufacturer and marketer of recorded music. Over the years, CBS has diversified into musical instruments, toys, publishing and, more recently, such enterprises as a theatrical production unit and videocassettes. Holt, Rinehart and Winston, and *Woman's Day*, *Field & Stream* and *Mechanix Illustrated* magazines are among the company's publishing interests.

In 1981, CBS' revenues approached $4.13 billion, a modest gain over the $4.06 billion reached in 1980. Corporate net income continued to slide, from $192.97 million two years ago to $163.81 million last year, a decline of 15 percent.

Central Telephone & Utilities Corp.

OHare Plaza, 5725 N.E. River Road
Chicago, IL 60631
(312) 635-5500
Robert P. Reuss, chairman
William G. Mitchell, president

Cable interests:

- Centel Cable Television — systems in FL, IL, IN, KY, MI, OH, TX. 120,189 subs (3/26/82).
- Videopath — regional cable interconnect network. Sold 20% to M/A-COM.
- Centel Supply Company — markets supplies to the interconnect market (and telephone).
- Diamond Communications Products Inc. — hardware manufacturer.
- Wilco Inc. — designs and constructs communication distribution networks.

Communication interests:

- Digitech Industries Inc. — produces diagnostic hardware.
- Comco Electronics — master antenna operator.

Not only does Central Telephone & Utilities manufacture and supply cable equipment for CATV systems, the corporation (which intends to change its name to Centel Corporation pending a stockholders' vote on April 30) is the parent company of Centel Cable Television, in its own right the 36th largest MSO in the nation, with 120,189 subscribers. An aggressive franchiser, Centel won 30 system awards in 1981, and the company currently has applications pending in another 19 communities. The MSO is focusing its franchising effort on three regions: suburban Chicago, the Florida Gulf Coast and the Ohio Valley.

Central Telephone's supply subsidiaries include Diamond Communications Products, a 1981 acquisition that sold $12 million worth of fasteners and other pole-line hardware for cable construction last year, and Centel Supply, whose Wilco division acts as a consultant on constructing and designing various communications networks, including cable rebuilds.

Other divisions of Central Telephone design, market and service telephone systems for private businesses; provide diagnostic software and hardware packages for computer problems; offer master antenna (MATV) services; and design public telephone booths. In addition, Central Telephone has put together a microwave interconnect system in the Chicago area called Videopath, which will eventually reach two million homes. M/A-COM bought a 20 percent share of Videopath in February. Central Telephone also is planning to announce a joint venture with Honeywell and Field Enterprises, but has relased no details yet.

Corporate revenues for Central Telephone in 1981 topped the billion-dollar mark for the first time. Centel Cable revenues brought in $16.26 million, nearly a 100 percent gain over its $8.46 million reported in 1980. Central Telephone's communications group, which includes equipment suppliers for cable, saw $247.2 million in revenues in 1981, up from $198.5 million in 1980. The corporation does not break out specific revenues from cable supplies.

Continental Copper & Steel Industries Inc.

12 Commerce Drive
Cranford, NJ 07016
(201) 272-3850
Charles F. Mansfield, chairman
Milton S. Cohn, vice chairman

Cable interests:

- CCS Cable — division created July 1, 1981, to manufacture coaxial cable for the cable televisio industry.

Communication interests:

- CCS Hatfield Wire & Cable.

A manufacturer of various metallic products, including coaxial cable for the CATV industry, Continental Copper & Steel suffered drops in both sales volume and assets during fiscal 1981 which ended in June. Net sales dipped more than 8 percent, from $180.70 million to $165.50 million, while total assets fell 4.9 percent, from $101.39 million to $96.36 million.

In an otherwise bleak economic year, CCS found solace in the success of its coaxial cable sales and created a new division for this product as of July 1, 1981, calling it CCS Cable. However, the company's Hatfield Wire & Cable division, which had previously handled coaxial cable production but moved to manufacturing other types of cable and wire, has been plagued with additional losses. As a result, company officials have indicated that Hatfield will either be sold or liquidated in the near future. CCS sees much promise in its new division and is aggressively marketing GID 3 coaxial cable in Canada and Europe as well as the United States.

CCS also owns a Mexican subsidiary that makes steel, alloy and a variety of forged products; Braeburn Alloy Steel, a manufacturer of high-grade steel for tool production; and Hanover Wire Cloth, a producer of screening for industry and homes. Hanover was hit particularly hard by the depressed housing construction market. At one point CCS was involved in rubber production as well, but after sustaining heavy financial losses from its last plant in Erie, Pa., the company closed down that operation.

Despite CCS's downturn in assets and sales, the corporation realized a gain in net income of 49 percent, resulting from a bankruptcy proceeding that related to Continental Rubber Works in Chile.

Cox Communications Inc.

1601 West Peachtree Street NE
Atlanta, GA 30309
(404) 897-7000
Clifford M. Kirtland Jr., chairman
William A. Schwartz, president

Cable interests:

- Cox Cable Communications—approximately 62 systems in 19 states. Subs: 1 million.
- INDAX.
- Cox Security Services.
- Commline.
- Spotlight.
- Robert Wold Company—19% interest.

Communication interests:

- Five VHF stations.
- One UHF station.
- 12 radio stations (five AM, seven FM).
- TeleRep—television sales representatives.
- Christal—radio sales representatives.
- Schulke Radio Productions.
- STV—St. Louis (mid-1982).

Cox Communications Inc. (formerly Cox Broadcasting Corp.) has a major investment in cable through its subsidiary, Cox Cable Communications, the nation's fourth largest MSO. Owner of six television and 12 radio stations, as well as a sizeable wholesale automobile-auctioning business, Cox Broadcasting, in 1981, derived nearly half of its $403.5 million in annual operating revenues from its cable operations, which brought in $188.5 million, a 50 percent gain over 1980 figures. Currently operating 62 cable systems in 19 states, Cox Cable passed the magic million-subscriber mark in August 1981 and now serves 1.1 million homes. During 1981, Cox subscriber growth resulted entirely from franchising efforts and license renewals; the company did not resort to acquisition. Tucson, Ariz., and Vancouver, Wash., were major franchising successes for Cox last year.

As with many system operators, Cox Cable's involvement in the industry has spread from operations to services. The company has helped pioneer the development of interactive services with its INDAX system. Cox also maintains subsidiaries that include: Cox Security Services; COMMLINE, a trade name for Cox Cable's institutional network systems under development; and Cable Rep, a sales business geared to help franchised communities with cable advertising. In addition, Cox purchased 20 percent of the Robert Wold Company for $20 million in January 1981, and has an option to increase its share to 60 percent in 1985. The Wold Company is best known for its sizeable holdings of transponder time on a number of communications satellites which it leases to cable and broadcast operations. The firm is now involved in programming services as well. In 1981, Cox, Storer, TCI and Cablevision Systems bought into Times Mirror's Spotlight, a pay TV service that primarily features movies. As the franchising process in the United States winds down, Cox is exploring the international angle, and would like to install and operate cable systems overseas.

Dow Jones & Co.

22 Cortland Street
New York, NY 10007
(212) 285-2000
Warren H. Phillips, chairman
Ray Shaw, president

Cable interests:

- Continental Cablevision (24.5%)—systems in 10 states. Total subs: 467,000.
- Dow Jones News/Retrieval Service.
- Dow Jones Cable News Service.
- Dow Jones/Prime Cable Corporation—system in Princeton, N.J. with 8,600 homes.

Communication interests:

- *Wall Street Journal.*
- *Barron's, Book Digest* and *American Demographics* magazines.
- Ottaway Newspapers.
- Richard D. Irwin Inc.
- International (Asian) Publications.

Best known for *The Wall Street Journal*, Dow Jones & Co. is banking heavily on the cable revolution. Last year, the company dished out $78.6 million to acquire a 24.5 percent interest in Boston-based Continental Cablevision, the nation's 12th largest MSO, with franchises in 10 states and 467,000 subscribers. The Continental deal came on the heels of an unsuccessful attempt to buy, along with Knight-Ridder, a majority interest in UA-Columbia Cablevision. In addition, Dow Jones went the franchising route with Prime Cable Corporation, and landed the 8,600-home Princeton, N.J., system contract.

Dow Jones is also placing cable chips on information services. The company's information services group has developed both the interactive Dow Jones News/Retrieval Service and the teletext Dow Jones Cable News Service. At the end of 1981, the news/retrieval service was generating information for more than 32,000 customers via computer and cable. Dow Jones sees this service as undergoing rapid growth once interactive technology becomes readily available to cable subscribers. The cable news service, which delivers information in crawl-line text form, was originally transmitted by telephone lines but recently switched to satellite, allowing the service to be picked up by cable systems. Rounding out its cable offerings, Dow Jones supplies USA Network with a five-nights-a-week program entitled, *The Wall Street Journal Late News.*

The company's 1981 revenues in its "book publishing, information services, and other" division rose 20.1 percent to $90.9 million. The information services group accounted for 65.6 percent of the increase. Total corporate revenues in 1981 amounted to $641 million, and in 1980 Dow Jones was 462 on the *Fortune* 500.

General Electric Company

General Electric Company
Fairfield, CT 06431
(804) 483-5000
John F. Welch Jr., chairman
John F. Burlingame, vice chairman

Cable interests:

- General Electric Cablevision—systems in CA, IL, IN, MI, MS, NY. Total 12 systems. Subs: 288,000 (2/28/82).

Communication interests:

- Three television stations.
- Three AM and five FM radio stations.

General Electric's $27.24 billion in revenues last year topped 1980 figures by 9 percent, a year in which $24.96 billion sufficed to earn the corporate giant a number 10 slot in the *Fortune* 500. While GE reports that its cable subsidiary, GE Cablevision, achieved record sales and earnings in 1981, exact figures are unavailable for the subsidiary, whose 288,000 subscribers make it the nation's 16th largest MSO. GE currently operates 12 systems in California, New York, Illinois, Indiana, Michigan and Mississippi, and is engaged in no franchising activity. As part of a corporate division known as "consumer products," GE Cablevision is grouped with major appliances, lighting products, housewares, air conditioners, televisions and audio products. Collectively, this division compiled $6.64 billion in revenues, or nearly one-fourth of those for the entire corporation. GE Cablevision undoubtedly accounted for a small fraction of those revenues.

Besides the products named above, GE's manufacturing arm builds aircraft engines; industrial motors; transportation systems; electrical equipment; power plant generators, transformers and switchgear; nuclear reactors and related equipment; batteries, plastics, and other engineered materials; and technical systems for the electronics, aerospace, and medical industries, supplying, among other items, robots. The corporation also develops software and extracts minerals and energy sources. In broadcasting, GE owns three television and eight radio stations. Corporate assets approach $21 billion.

In 1981, GE tried to expand its communications interests by proposing a merger with Cox Broadcasting. The deal was set to be culminated until Cox suddenly decided not to go through with it. Both companies continue to operate independently.

General Instrument Corporation

1775 Broadway
New York, NY 10019
(212(974-8700
Frank G. Hickey, chairman

Cable interests:

- Manufacturer of CATV systems, subscriber terminal equipment, etc.
- The Jerrold Division—primarily manufactures the CATV products for General Instrument Corporation.
- PlayCable—50-50 joint venture with Mattel.
- United Satellite TV—investment of $5 million.

Communication interests:

- Master antenna television (MATV).
- Data systems (AmTote).

A company that develops data systems and manufactures semiconductor products, computer components and broadband communications equipment, General Instrument is riding the crest of the cable wave. During the first three quarters of fiscal year 1982, ending November 1981, corporate revenues finished at $698.6 million, 13 percent above the $618.6 million seen the same period a year before. Such modest gains tell only part of the story, however. The company's broadband communications group, which makes electronic equipment ranging from TV tuners to subscriber terminals, improved its 1982 revenue intake by 56 percent, as compared with 1981. While broadband customers include the master antenna TV (MATV) industry as well as cable, the corporation ascribes the group's success to "unprecedented growth for the cable TV industry and for General Instrument's cable TV business."

Best known for its Jerrold line, General Instrument was the first CATV equipment manufacturer to come up with a 52-channel amplifier, the Jerrold System 400. The corporation also offers descramblers and is currently developing and marketing interactive products, including cable security systems, and has plans to sell earth stations to its CATV and MATV customers. Among its interactive products is the hardware for the home videogame service, PlayCable, a joint venture with Mattel Corporation. General Instrument has also invested $5 million in United Satellite Television and will provide the equipment for a project that will lead to two advertiser-supported and two pay-programming services for cable.

General Telephone & Electronics Corp.

One Stamford Forum
Stamford, CT 06904
(203) 965-2000
Theodore F. Brophy, chairman
Thomas A. Vanderslice

Cable interests:

- Sylvania CATV Transmission System Division manufactures trunk amplifiers, line extenders and converters. Plans introduction of an addressable converter spring 1982.
- GTE Telenet Communications group— designs and operates communication systems, e.g., electronic mail.

Communication interests:

- Three international telephone companies.
- Six domestic telephone companies.

Through its Sylvania CATV Transmission Systems division, GTE is among the cable industry's top suppliers for a full range of transmission equipment, including trunk amplifiers, line extenders and 58-channel converters. The company also provides guidance on system design and, by late spring, intends to introduce addressable converters to its product line.

Collecting $6.9 billion in revenues last year, GTE's telephone operations, which consist of 16 domestic and three international telephone companies, dwarf all other corporate divisions. GTE products, however, span the breadth of the telecommunications and electronic fields. Precision materials, electrical equipment and Sylvania-brand lighting products are a few of the items this corporation manufactures. GTE's Telenet Communications group designs and operates communications networks, providing such services as electronic mail, credit authorization and financial information. GTE is also about to join the pack of companies that send communications satellites into orbit, by launching its first two birds in 1984.

During the past year, GTE took in $11.03 billion in revenues, up 10 percent from $9.98 billion in 1980. Income from continuing operations amounted to $691 million, a 54 percent gain from $589 million in 1980, and total assets claimed from $19.53 billion to $21.11 billion.

Getty Oil Company

3810 Wilshire Boulevard
Los Angeles, CA 90010
(213) 739-2100
Sidney R. Petersen, chairman
Robert N. Miller, president

Cable interests:

- Entertainment and Sports Programming Network Inc. (85%).
- ABC Getty pay sports channel— joint venture 9/81.

If Getty Oil were to strike it rich with its cable holding, the Entertainment and Sports Programming Network, the benefits would hardly dent the balance sheets of the corporation whose assets fell just short of $10 billion last year. In 1981, Getty's revenues totalled $13.23 billion, a 27 percent increase over the $10.44 billion of 1980, while assets rose 15 percent from $8.27 billion in 1980 to $9.5 billion.

As the name suggests, Getty Oil activities center on exploring, producing, transporting, refining and marketing petroleum. The company extracts this valuable resource from deposits in the United States, the Middle East, the North Sea, Alberta and wherever else dinosaurs and other prehistorics found their final resting places ages ago. Getty's energy pursuits are by no means confined to oil, however. The company is actively engaged in drilling for natural gas, mining coal and uranium and developing synthetic fuel.

Beyond the energy fields, Getty has diversified into such areas as agricultural operations; real estate; forest products; plastics, chemical fertilizers; life, casualty and property insurance; and cable television programming. Getty's primary cable venture is its 85 percent share of ESPN. At the end of 1981, ESPN had 13.6 million subscribers, making it one of the largest advertiser-supported cable services in the country. The oil conglomerate had also attempted another cable programming venture, the now-defunct Premiere pay TV service, of which Getty had been a major financial backer.

While ESPN has been traditionally a basic service for cable subscribers, a recent agreement between Getty and ABC Video promises to change that arrangement. In exchange for ESPN coverage of selected ABC Sports events, ESPN will occasionally present pay-per-view offerings of ABC and Getty.

Gulf + Western Industries Inc.

1 Gulf + Western Plaza
New York, NY 10023
(212) 333-7000
Charles G. Bluhdorn, chairman
David N. Judelson, president

Cable interests:

- USA Network – partnership with Time Inc. and MCA Inc.
- Madison Square Garden Network – supplies event packages for cable television.

Communication interests:

- Paramount Motion Pictures.
- Paramount Television.
- Simon & Schuster.
- Madison Square Garden Corporation.
- Famous Players Limited.
- Famous Music Corporation.

Through the Madison Square Garden Cable Network, a division of the G+W subsidiary Madison Square Garden Corporation, Gulf+Western once held a 50 percent share in the sports programming service, USA Network. Madison Square Garden eventually sold its interest to UA-Columbia, its partner in the programming venture. When UA-Columbia chose to sell its cable network, USA went to a partnership consisting of Time, NCA, and Paramount Television. As Paramount Television is a G+W subsidiary as well, Gulf+Western once again picked up a share in USA Network, only this time just 33 percent. Meanwhile, Madison Square Garden Cable Network continues to breed its own programming and in fiscal 1982 will offer a 125-event package for cable viewers throughout the country.

Gulf+Western groups its cable services into its leisure-time division, a cluster that also includes Famous Music, Famous Players, Simon & Schuster, and Paramount Pictures. In fiscal 1981 ended last July, corporate revenues finished at $5.7 billion, up 7 percent from the previous year's $5.34 billion. Paramount Television attracted $178 million in revenues, while Madison Square Garden hauled in $201 million.

The corporation that earned the 57th berth on the *Fortune* 500 in 1980, G+W manufactures clothing, Simmons mattresses, energy and industrial products, automotive components and replacement parts, and amusement games. G+W also owns cement, chemical, zinc and sugar operations; a tourism business in the Dominican Republic; and Consolidated Cigar Company.

Harte-Hanks Communications Inc.

40 N.E. Loop 410
San Antonio, TX 78216
(512) 344-8000
Robert G. Marbut, president
Houston H. Harte, chairman of board

Cable interests:

- Harte-Hanks Cable – systems in CO, TX, under 20,000 subs (plus three under construction in FL and PA); manages seven systems with 23,500 subs.
- Will acquire Southwestern Satellite in 1984 (4,000 subs).
- CompuServe and Associated Press experimentation in data base systems.
- Will acquire UltraCom from AEL in 1984 (43,000 subs).

Communication interests:

- 86 newspapers.
- Six advertising publications.
- Four television stations.
- 11 radio stations.
- Entertainment software.

During 1981, Harte-Hanks reaped an all-time high of $348 million in operating revenues, 15 percent better than the previous year's $303.7 million. Nearly 20 percent, or $68.4 million, of the corporate revenue harvest came in via the company's broadcasting division, which includes four television and 11 radio stations, as well as the company's cable holdings.

An MSO with nine cable systems serving about 19,000 subscribers, Harte-Hanks also manages another seven systems with 25,300 subscribers and has options to purchase these systems outright. The company pumped a lot of blood into cable expansion during 1981. It signed an option agreement with AEL Industries to acquire AEL's MSO, UltraCom Inc., by 1984. UltraCom runs 13 cable systems with 43,000 subscribers and has three more cable systems under construction where 8,000 subscribers are already receiving service. In addition, Harte-Hanks picked up an option on Southwestern Satellite Inc. which provides cable to 4,000 Houston-area subscribers. In a deal related to the UltraCom agreement, Harte-Hanks bought $15 million in preferred stock of AEL, a company that also supplies converters, amplifiers and other electronic equipment to the cable industry.

Besides cable and broadcast holdings, Harte-Hanks owns several daily and weekly newspapers, advertising and specialty publications, commercial printing facilities, "target distribution" systems, direct-mail services, market research operations and an entertainment production company. The company's Framingham, Mass., newspaper began publishing last year as part of an information-retrieval test currently being conducted by CompuServe and Associated Press.

Heritage Communications Inc.

2195 Ingersoll Ave.
Des Moines, IA 50312
(515) 245-7585
James M. Hoak Jr., president
James S. Cownie, executive vice president

Cable interests:

- Heritage Communications Inc.—systems in AL, CA, CO, IA, IL, MS, TN, TX, WI. Total subs: 248,000 (3/31/82). Total systems: 117.
- 1/82 Birmingham, MI, awarded to joint venture of Booth Communications and Heritage (50-50%). Potential homes: 15,000. Potential plant miles: 150.
- Heritage is minority owner and general partner of six limited partnership in IA, CO, MO, TX.
- 3/82 Waverly, IA, awarded to Heritage (100%). To be built in 1982.
- Joint venture with ATC for system in Council Bluffs, IA (awarded 1978).
- Joint venture with Booth Communications for franchise pending in South Pinellas County, FL.
- Los Angeles, CA, franchises granted to CATV West Inc. (owned 80%). Total subs: 30,000.

Communication interests:

- Shaw-Barton Inc. merger—specialty advertising.
- Addition of four companies to display advertising division (operations in St. Paul, St. Louis, Dallas and Houston).

Since 1971, when the cable communications company first opened its doors, Heritage has grown into the 17th largest MSO in the nation, with 117 systems and 248,000 subscribers. Through franchising and acquisition, Heritage continues to grow at an extraordinary pace. In 1981, corporate revenues surged to $77.2 million, 207 percent better than 1980's $25.1 million, an amount that had already excelled 1979's intake by more than $10 million. Heritage's telecommunications division, 99 percent of which consists of cable operations, secured $27.5 million in 1981 revenues, nearly doubling 1980's $13.9 million. Besides several small franchise awards in Iowa communities, Heritage recently won Birmingham, Mich., with 15,000 homes, in a joint venture with Booth Communications. And it has been responsible for pioneering a microwave interconnect through Iowa.

To balance the enormous capital outflow that goes hand-in-hand with cable investment, Heritage has diversified into other fields, notably radio and advertising. In line with the company's desire to remain a "broad-based communications company with special emphasis on television," Heritage has acquired four display advertising companies, which now form the Heritage Display Communications Group, and Shaw-Barton, a specialty advertising firm. Last March, however, Heritage disposed of its two radio stations.

Insilco Corporation

1000 Research Parkway
Meriden, CT 06450
(203) 634-2000
Durand B. Blatz, chairman
Donald J. Harper, president

Cable interests:

- Ownership of Times Fiber (75%)—manufacturer of coaxial cables and fiber optics.

Communication interests:

- Taylor Publishing Company.
- Investment in Broadstreet Communications (Insilco Broadcast Group): seven radio stations.

A company whose subsidiaries make everything from prefabricated homes to Rolodex alphabetical desk-files, the Insilco Corporation sold $684.9 million worth of products during 1981. Among the company's 15 subsidiaries is Times Fiber Communications (TFC), a top manufacturer of coaxial and fiber-optic cable for the CATV industry. Over the past five years, Times Fiber's sales leapt from $26 million to $120 million, and 1981 assets rose to $69.4 million. The cable industry accounts for 80 percent of all TFC sales. In March 1981, TFC went partially public when Insilco reduced its share in the company from 99 to 75 percent.

Other Insilco subsidiaries besides TFC and Rolodex include: Miles Homes; Nationwide Homes; Enterprise Paints; Red Devil Paints; Sinclair Paint; International Silver Company, which manufacturers tableware; Taylor Publishing, which puts together high-school and college yearbooks; and various companies that manufacture automotive, electronic and computer parts. In 1980, Insilco ranked 410 in the *Fortune* 500.

Knight-Ridder Newspapers Inc.

One Herald Plaza
Miami, FL 33101
(305) 350-2650
Alvah H. Chapman Jr., chairman of board
James K. Batten, president

Cable interests:

- TKR Cable Company—joint venture with TCI. Systems in NJ, NY. Subs: 43,000.
- Joint venture with Times Mirror to rebuild Long Beach, CA, system.
- TKR acquired Cross Country Cable's NJ systems.
- Bay Cable—(45%) joint venture with TeleCable to apply for franchise in Tampa, FL.
- Viewdata Corporation of America (Viewtron)—joint ventue with AT&T.

Communication interests:

- 32 daily and 22 suburban newspapers including *Philadelphia Inquirer, Detroit Free Press,* and *Miami Herald.*
- Four television stations.
- HP Books.

- Commodity News Service.
- KR Newspaper Sales Inc.
- KNT News Service.
- Part owner of the following companies: Dublin Newsprint Mill; *Seattle Times*; *Walla Walla Union-Bulletin*.

The number 285 corporation on the *Fortune* 500 for 1980, Knight-Ridder is taking a shotgun approach to cable ventures, allying itself with several companies to gain a solid foothold in the business. Knight-Ridder became a system operator earlier this year by forming a joint venture with TCI, called TKR Cable Company. Moving rapidly in the area of acquisition, TKR has ambitious expansion designs. Earlier this year, it picked up Cross Country Cable's New Jersey systems, including 43,000 subscribers in 21 communities, and to obtain 38,000 additional subscribers, TKR purchased TCI systems in New York and New Jersey. In all, the company has set its eyes on 100,000 subscribers by the end of this year, and 500,000 by the end of 1986.

Knight-Ridder's TKR enterprise is only the beginning. In a second venture, Knight-Ridder has joined forces with Landmark Communications' TeleCable Corporation to apply for the Tampa, Fla., cable franchise. In another partnership, Knight-Ridder joined Times Mirror to upgrade to the latter company's antiquated Long Beach, Calif., system.

On the technology side, Knight-Ridder and AT&T are developing the Viewtron videotex system. An initial test of Viewtron is underway in Coral Gables, Fla., and the two companies plan to broaden the test's scope next year to include all of southern Florida. Five thousand homes will partake in this second test, and Viewtron will switch to Telidon technology. Eventually, Knight-Ridder hopes to market Viewtron to other communications firms. In this vein, talks have begun with Affiliated Publications and Capital Cities Communications that could bring Viewtron to Boston, Kansas City, Mo., and Fort Worth, Texas.

Knight-Ridder's operating revenues reached $1.24 billion in 1981, and the corporation earned $100.4 million in income. Through 59 subsidiaries and divisions, the company owns 32 daily newspapers, including the *Philadelphia Inquirer*; four television stations; Commodity News Services Inc.; the *Journal of Commerce*; HPBooks, which publishes cookbooks and "how-to" books; and KR Newspaper Sales Inc.

M/A-COM Inc.

South Avenue
Burlington, MA 01803
(617) 272-9600
Dr. Lawrence Gould, chairman
Richard T. DiBona, president

Cable interests:
- Valtec—Philips and M/A-COM joint venture which manufactures optical fiber cable.
- M/A-COM Comm/Scope Inc.—manufactures coaxial cable.
- M/A-COM Comm/Scope Marketing Inc.—markets the coaxial cable.
- M/A-COM Prodelin Inc.—manufactures earth stations and electronic equipment.
- M/A-COM Video Satellite Inc.—CATV earth station and electronic equipment.
- Nineteen other companies manufacture components and products for CATV industry users.
- MACOMNET Inc.—transmission systems for teleconferencing, electronic mail.

Communication interests:
- Approximately 24 companies serve markets such as telephone, broadcast, RCC, commercial radar and security, defense and private networks.

M/A-COM Inc., through its 22 companies and two joint ventures, provides equipment and systems for commercial telecommunications and defense applications A major supplier to cable operators, M/A-COM achieved revenues of $514.7 million in the fiscal year ended October 1981, $180.5 million (or 35 percent) of which were realized by its cable/home communications group, whose revenues increased 66 percent over 1980's $109 million. M/A-COM's 160 percent growth in 1980 ranked among the top 10 biggest increases in the industry, accoring to *Fortune*.

M/A-COM's cable division consists of five companies including M/A-COM Comm/Scope Inc., one of the nation's largest manufacturers of coaxial cable; M/A-COM Comm/Scope Marketing Inc., the sales vehicle for Comm/Scope; M/A-COM Prodelin Inc., earth station and microwave antenna suppliers; M/A-COM Video Satellite Inc., a manufacturer of earth stations and electronics equipment for cable operators; and Valtec, a producer of optical fiber cable. Valtec is a joint venture with the Philips Optical Communications Corporation. M/A-COM acquired Prodelin Inc., Comm/Scope, and Valtec relatively recently, reflecting a strong commitment to penetrating the cable industry market. Of the firm's coaxial cable sales, 60 to 70 percent last year were to large MSOs. M/A-COM's earth station sales have tapered off, but the company foresees a rebound in sales once new satellites are launched. Optical fibers for business systems and earth station sales to remote areas that are unlikely candidates for cable wiring are two growth areas the company hopes to pursue.

Several of the companies in M/A-COM's other two divisions—components and integrated digital communications—also produce and supply equipment used by the cable industry. The 11-company components division includes firms that provide circuitry for line amplifiers, power divider-type connectors for earth stations, and transistors. The eight-company digital division manufactures high technology equipment for satellite digital communications as well as encryption products for microwave and satellite transmissions. This division comprises LDD Inc., a joint venture with Aetna Insurance that intends to design, sell, and service business communications systems for coaxial cable systems, and MACOMNET Inc., M/A-COM's own transmission system for such business services as teleconferencing and electronic mail.

MCA Inc.

100 Universal City Plaza
Universal City, CA 91608
(213) 985-4321
Lew R. Wasserman, chairman
Sidney Jay Sheinberg, president

Cable interests:
- Owns one-third of USA Network.

Communication interests:
- MCA TV Enterprises.
- MCA Publishing Rights.
- MCA TV.
- MCA Merchandising.
- MCA Development.
- MCA Recreation Services.
- MCA Records.
- MCA Videodisc.

A leading producer and distributor of motion pictures through its Universal Studios subsidiary, MCA ranked 256 on the 1980 *Fortune* 500 listing. The past year, however, was a financially difficult one for the large conglomerate. In 1981, corporate revenues rose to $1.33 billion, only slightly better than last year's $1.30 billion, while the company's net income plummeted 34.8 percent, from $137.65 million in 1980 to $89.79 million.

MCA gained entry into the cable market last year by purchasing a one-third interest in USA Network, which is now owned by three partners: MCA, Paramount (Gulf+Western), and Time Inc. MCA had already been cashing in on the cable boom by leasing rights for use of its television shows and motion pictures, to the tune of $439 million in fiscal 1980.

Other MCA subsidiaries include Universal Theatrical Motion Pictures, Universal Television, MCA TV, MCA Records, MCA Music, a retail and mail-order division, , and MCA Recreational Services. This last affiliate handles visitor concessions at Yosemite National Park and at the Federal Mall in Washington, D.C. MCA is also involved in book publishing enterprises.

Multimedia Inc.

P.O. Box 1688
Greenville, SC 29602
(803) 298-4373
Wilson C. Wearn
Walter E. Bartlett

Cable interests:
- Systems in IL, KS, OK, NC (153,000 subs).
- Lease a cable channel to air news from the Asheville *Citizen-Times* (2/82).

Communication interests:
- 13 daily, 22 non-daily newspapers.
- Six television stations.
- 12 radio stations.
- Produces and syndicates programming.

Currently the nation's 28th largest MSO, Multimedia operates more than 60 cable franchises in Kansas, Oklahoma, North Carolina and Illinois. In 1981, cable enterprises brought the company $19.4 million in revenues, more than doubling the $8.95 million realized by the firm in 1980. Subscriber levels have correspondingly jumped from 66,000 to 153,000, and the company aims to reach the 225,000 mark by the end of 1984. One area of cable growth for the firm is North Carolina, where Multimedia is gradually bringing Tar River Communications under its wing. Earlier this year, Multimedia bought its second 20 percent option in the 44,000-subscriber MSO and has an agreement to pick up the remaining 60 percent in similar-sized increments over the next four years. The company also sees the Chicago area as a region ripe for Multimedia's cable expansion.

Aside from cable operations, Multimedia also publishes 35 newspapers, owns six television and 12 radio stations and produces and syndicates television programming. Multimedia Program Productions Inc., the arm responsible for syndication, offers the highly successful talk show, *Donahue*, and is the largest producer/syndicator of country music programming.

As a whole, the company achieved $195.3 million in revenues during 1981. Corporate assets reached $256.1 million. Multimedia's newspaper division is also involved in the cable revolution, through the company's Asheville (N.C.) *Citizen-Times*. In February, the *Citizen-Times* began an advertiser-supported news service on a leased cable channel in that community. Multimedia would like to arrange similiar leases with cable operators elsewhere.

The New York Times Company

229 West 43rd Street
New York, NY 10036
(212) 556-1234
Arthur Ochs Sulzberger, chairman
Walter E. Mattson, president

Cable interests:

- New York Times Production—2/14/82 began plans to produce original programming for cable television (mid-summer production schedule).
- New York Times Cable—Audobon, NJ, 55 communities, 95,400 subscribers.

Communication interests:

- 13 weekly and five daily newspapers.
- New York Times On-Line—full text retrieval service.
- Magazine publishing including *Family Circle, Golf Digest* and *Tennis*.
- Three television stations.
- Two radio stations.
- Books, information and education, includig Times Books, NYT News Service/Special Features, Teaching Resources.

All the news that's fit to print is not the *New York Times* anymore—at least if you are referring to the parent company. Besides publishing the newspaper of the same name, 13 weekly and five daily newspapers in Southern states, and *Family Circle, Golf Digest*, and *Tennis* magazines, the Times has its hands in a news service, a feature syndicate, information retrieval services, a microfilm publishing company, books and educational materials, and shared interests in Canadian newsprint firms, Madison (Maine) Paper Industries, and the *International Herald Tribune*.

The brunt of the expansion action at the New York Times Company these days, though, is in the broadcast and cable division. The company that owns three television stations and two radio stations is set to beef up its cable involvement. The company purchased from Irving Kahn the Audubon, N.J., cable system which serves 89,600 subscribers in 55 communities. The system is ranked number 11 of all cable systems in terms of size and is called NYT Cable. In addition, in February 1982, the Times formed the New York Times Production Company, which will put together cable programming using a format modeled after that of the newspaper's various sections.

In 1981, corporate revenues grew 15 percent, from the $733.24 million of 1980 to $845.21 million. The company's income has rebounded substantially since the 1978 newspaper strike that idled the *Times*, with earnings hitting a record $49.97 million last year, up from $40.61 million the year before. Profits for the cable and broadcasting division, though, staggered to $3.53 million in 1981 from 1980's $3.84 million, a dip that the company attributes to costs associated with building the New Jersey franchises.

North American Philips Corp.

100 East 42nd Street
New York, NY 10017
(212) 697-3600
Pieter C. Vink, chairman
Cees Bruynes, president

Cable interests:

- Manufactures and develops high-contrast, low-power portable alphanumeric display.
- Magnavox CATV Systems Inc.—subsidiary which supplies modular amplifiers and distribution equipment for monitoring system performance.

Communication interests:

- Acquisition of GTE's Sylvania and Philco electronics (1981).
- Manufactures home entertainment products, video cassettes, color television receivers, projection TV, videodiscs.

As the parent company of Magnavox CATV Systems Inc., North American Philips supplies the cable industry with modular amplifiers and distribution equipment for monitoring system performance. Through a separate corporate division, Philips is also developing a high-contrast, low-power, portable alphanumeric display to be used in videotex and teletext applications.

Net sales for Philips surpassed the $3 billion mark in 1981, a gain of 40 percent over $2.171 billion in 1980. During the same period, income climbed to $78.52 million from the $74.38 million of the previous year, and total assets reached $1.85 billion, up from $1.52 billion. Philips' acquisition of GTE's Philco and Sylvania electronics business for $116 million was responsible for nearly $25 million of this growth in assets.

Magnavox CATV is a segment of the company's professional equipment division, which also manufactures medical diagnostic equipment; electronic instrumentation for energy, chemical and environmental analysis; and electronics equipment for defense purposes. Through its Magnavox, Philco and Sylvania lines, Philips is rapidly expanding in the area of consumer electronics and now manufactures color television receivers, projection TV, Odyssey video games, videocassette recorders, videodisc playback machines, Norelco appliances and shavers, as well as garage-door openers, lighting products, brushes, musical instruments and magnet wire.

The Hartford National Bank and Trust, which owns 61 percent of Philips' stock, acts as a trustee for the shareholders of Philips of The Netherlands.

Oak Industries Inc.

16935 West Bernardo Drive
Rancho Bernardo, CA 92127
(714) 485-9880
Everitt A. Carter, chairman
Raymond W. Peirce, president

Cable interests:

- Manufacturer of electronic components, switches, quartz crystal products, resistors, appliance components and laminating materials.
- Oak Communications—two CA systems. Total subs: 33,700.
- Oak Media Development Corporation—joint venture with Universal Pictures to produce movies for pay TV.

Communication interests:

- STV operator—total subs: 600,000.
- Developing scramblers and decoders for direct broadcasting via satellite.
- VideoNet—(81%) produces teleconference services and programming.

Currently celebrating its 50th anniversary, Oak Industries is basking in the success of its highly profitable communications enterprises. While corporate sales improved by 32 percent, attaining a record level of $507.12 million, communications revenues (including STV as well as cable) trucked in $206.55 million, a 61 percent better haul than 1980's $161.37 million. Net income's growth rate for communications jumped 51 percent, reaching $30.35 million. Just five years ago, the communications systems division accounted for a mere eight percent of Oak's total sales.

A major contributor to the communications division's revenues is terminal sales, but they are only one portion. The company is also active in operations and programming and recently announced that it will launch a DBS service in 1983. Oak has leased four transponders on the Canadian satellite, Anik-C, to deliver pay TV programming to viewers in the Pacific Northwest and northeastern U.S. by mid-1983. Oak will file a request before the Federal Communications Commission to seek permission to operate a domestic DBS operation.

Oak is already a large subscription television (STV) operator with 600,000 subscribers to its five ON TV systems nationwide, with plans to begin operations in several more large metropolitan markets. Oak also owns two California cable systems with 33,700 subscribers, but is in the process of selling them.

In programming, the Oak Media Development Corporation is involved in a joint venture with Universal Pictures to produce movies for pay TV, the first collaboration of this kind between a major studio and a pay TV system operator. The division is also providing financial support for the development of Campus Entertainment Network, a pay-per-view network which will provide programming to colleges. Other partners will be announced soon. Meanwhile, the Oak Satellite Corporation has purchased an 81 percent interest in VideoNet, a producer of teleconference services and programming.

Besides communications activities, Oak is a manufacturer of electronic components including switches, quartz crystal products, resistors, appliance components and laminating materials for industrial needs.

The Penn Central Corporation

245 Park Ave.
New York, NY 10167
(212) 599-8000
Richard Dicker, chairman
Richard A. Voell, president

Cable interests:

- Manufactures products and supplies services for cable industry.
- 1981—acquired G.K. Technologies Inc., which owns General Cable Company and General Cable International.

Communication interests:

- Sprague Electric Company.

Last spring, when Penn Central acquired G.K. Technologies Inc. for $704 million, the company that once rode the rails jumped track to the electronics and telecommunications industry. The new acquisition brought in 28 percent of Penn Central's 1981 net sales, or $947.2 million of the $3.349 billion corporate total. The remainder came from petroleum products, offshore oil rigs, real estate operations, resorts, conference centers and amusement parks. In a move to divest itself of all holdings unrelated to either electronics and telecommunications or energy and natural resources, Penn Central recently sold its amusement parks.

Before the Penn Central acquisition, G.K. Technologies sat at 275 on *Fortune*'s 500 for 1980. That year, a G.K. subsidiary named General Cable realized 30 percent of that company's sales. A manufacturer of wire and cable products for the telecommunications industry, General Cable now gives Penn Central a place in the cable industry as an equipment supplier. As with many coaxial cable manufacturers, General Cable is also involved in fiber optics development, which will become of increasing value for CATV applications. Another part of General Cable is its Apparatus Division which builds trucks for the cable industry. General Cable sales reached $359 million in 1980, but since Penn Central does not break out revenues for G.K. Technologies subsidiaries, comparable figures for 1981 are unavailable. The G.K. Technologies acquisition also gave Penn Central the engineering firm Automation Industries and Sprague Electric, a capacitor manufacturer.

Pioneer Electronic Corporation

11222 LaCienega Blvd., Suite 540
Inglewood, CA 90304
(614) 876-0771
Nozomu Matsumoto, chairman and representing director
Yozo Ishizuka, president and representing director

Cable interests:
- Manufactures system-related equipment.
- Concentration on QUBE technology.

Communication interests:
- Home audio products.
- Auto audio products.

Weathering a sluggish audio market in 1981, Pioneer was pleased with commercial acceptance of two newer products: LaserDiscs, those rainbow-colored video records, and subscriber terminals for interactive services. The company is the terminal supplier for Warner Amex's QUBE system. As QUBE moves into more cities, Pioneer will greatly benefit from increased Warner Amex orders. A second-generation terminal developed by Pioneer for Warner Amex's QUBE III offers 110-channel capacity and can be used for home security, home shopping and information retrieval. Pioneer recently introduced a one-way addressable terminal, which ties in with its marketing campaign to sell its products to cable companies and systems other than QUBE. Indeed, other companies are bidding Pioneer terminals in their franchise proposals.

Before expanding into the video and cable markets, Pioneer chiefly manufactured stereo components, cassette recorders and related audio equipment. The Japan-based company has wholly owned manufacturing subsidiaries in the United States, Belgium and Australia, as well as joint ventures in Taiwan and Korea. During fiscal 1981 ended last September, Pioneer's net sales amounted to $1.41 billion, a slight gain over 1980's $1.3 billion. Net income, though, slid to $63.85 million from $86.19 million the previous year. The company's "other products" division, which manufactures LaserDiscs, telephone-answering machines and QUBE terminals, increased its percentage of corporate sales from 5.7 to 6.7, and despite the company's other difficulties, sales in this division rose 28.3 percent, from $73.14 million to $93.84 million.

Playboy Enterprises Inc.

919 North Michigan Ave.
Chicago, IL 60611
(312) 751-8000
Hugh M. Hefner, chairman
Derick J. Daniels, president

Cable interests:
- Escapade—joint venture with Cox Communications, Cablevision, and Daniels & Associates. Will be renamed The Playboy Channel early 1983.

Communication interests:
- Magazine publishing: *Playboy*, *Games*, guides.
- Book Publishing—PEI Books Inc.
- Playboy Productions—television, home video, pay cable production.

Playboy Enterprises has long been in television and motion picture production, but last year moved into cable television production through its joint venture arrangement with Rainbow Programming Service's Escapade pay channel, an adult movie service. With Playboy's investment in the service, a reformat and new name will occur, better reflecting the "Playboy" image. The service plans to change its name to The Playboy Channel. Playboy also entered into a one-year deal with Oak Communication's ON TV subscription television outlets to carry its original programming. Oak serves 600,000 subscribers.

Playboy's major corporate focus is in entertainment with flagship *Playboy* magazine and the magazine division generating $156.4 million for 1981. This, however, was a decline of 3.4 percent in total revenues and earnings. In addition, revenues from clubs and hotels also reflected a 3.6 percent decline, contributing $60 million. Gaming revenue was a positive revenue source reflecting a 20 percent increase and contributing $120.7 million. However, Playboy has lost its British casino business because of local gaming rules violations, and also plans to sell its Atlantic City gambling operation.

Other Playboy business includes book publishing, licensing and merchandising of Playboy products, limousine rental, Playboy Productions, the production arm of the company, and other interests. Total revenue from these ventures added $13.3 million in gross revenue. Total revenues, therefore, came to $388.9 million with a net income of $14 million.

Playboy plans to increase its investment in Playboy Productions through its partnership with Escapade and will produce a number of programs for The Playboy Channel. Playboy management is confident that the future of programming lies in pay cable and will continue to provide further capital in that arena. Management expects Playboy Productions to become one of the company's major profit centers within the next five years.

RCA Corporation

30 Rockefeller Plaza
New York, NY 10020
(212) 621-6000
Thornto F. Bradshaw, chairman
Frank T. Alfieri, executive vice president

Cable interests:

- RCA Cablevision Systems—supplies equipment and installation services for cable systems.
- The Entertainment Channel—joint venture with Rockefeller Center Inc. A pay TV programming service (debut 6/82).

Communication interests:

- Five television stations.
- Eight radio stations (four AM, four FM)
- RCA Network Services—electronic message service.
- RCA Globcom—international satellite service.
- RCA Americom—domestic satellite service.

RCA met with hard times last year. While assets reached $7.86 billion, a 10 percent improvement from a year ago, operating revenues remained essentially unchanged at $8 billion. On the other hand, net profits for the company plummeted to $54 million from $315 million the year before, a decline of 82 percent. In an effort to turn around these disappointing financial trends, RCA wants to dispose of all its non-electronic subsidiaries except for the C.I.T. Financial Corporation, which has been a consistent money-winner since its 1980 acquisition. Hertz Corporation and Coronet Industries are both on the chopping block. In another belt squeeze on the belly, RCA has decided to close down many of its overseas operations and has withdrawn from a joint venture in Europe for manufacturing TV picture tubes.

RCA has a twofold relationship to the cable industry: as an equipment supplier and as a programmer. Through its subsidiary, RCA Cablevision Systems, the company provides equipment and installation services for cable systems. As a programmer, RCA has entered into a joint venture with Rockefeller Center Inc. The duo will soon launch a pay TV programming service called The Entertainment Channel.

The company's extensive holdings include the television network NBC along with its five television stations and 214 affiliates, and its eight radio stations and 369 affiliates. In addition, the communications subsidiary RCA Americom owns the Satcom satellite system, whose transponders are used to deliver programming signals to cable systems' earth stations. RCA also manufactures TV receivers, records and recording tape, and videodisc players.

Rogers Cablesystems Inc.

St. 2602, Box 249 Commercial Union Tower
Toronto, Canada M5K 1J5
(416) 864-2373
John W. Graham, chairman
Edward S. Rogers, vice chairman and CEO

Cable interests:

- Rogers Cablesystems Inc.—systems in United States, Ireland, Alberta, Ontario, British Columbia. Total subs: 1.9 million.
- Rogers-UA Cablesystems includes: UA Columbia Cablevision Inc. acquired 11/81, systems in 15 states with total subs of 467,000 (51%); US Cable Systems Inc., systems in CA, OR, MN, NY, total subs 44,000 (100%).

The largest MSO in Canada, Rogers Cablesystems gained a decisive foothold in the U.S. cable market this past year. Franchising awards in Portland, Ore., Southern California and suburbs of Minneapolis, added 303,000 to the tally of Rogers' U.S. homes passed, but these successes were dwarfed by the company's acquisition of majority stock in UA-Columbia Cablevision. Together, Rogers and UA-Columbia can lay claim to 560,000 subscribers in the United States, making the combination the ninth largest MSO here. In the fiscal year which ended in August 1981, Rogers amassed assets of more than $421 million and revenues exceeding $109.6 million.

The UA-Columbia move followed a bitter battle, in which Rogers' partner in the purchase, United Artists Theater Circuit (UATC), as a minority stockholder in UA-Columbia, fought an attempted takeover of UA-Columbia by Dow Jones and Knight-Ridder. Once Dow Jones and Knight-Ridder exited from the scene, Rogers and UATC stepped in, with Rogers selling its shares in Famous Players Ltd., a major theater operator in Canada and France, to raise the necessary capital for the deal. With the sale of Famous Players, Rogers became exclusively a cable corporation.

In Canada, Rogers holds franchises in Ontario, Alberta and British Columbia, with subscribers totalling more than 1.9 million. The company recently suffered a setback when the Canadian Radio-television and Telecommunications Commission, in issuing the first license for pay TV in that country, passed up Rogers' Canadian Premiere Television and gave the nod to First Choice Canadian instead.

Rogers' cable interests extend overseas as well, where the firm operates franchises in Ireland and is arranging to play a role there in the programming service Radio Telefis Eireann.

Rollins Inc.

2170 Piedmont Road N.E.
Atlanta, GA 30324
(404) 873-2355
O. Wayne Rollins, chairman
R. Randall Rollins, president

Cable interests:

- Rollins Cable Vue—owns 80% of CT systems and 100% of those in DE and MA. Total subs: 107,000. Franchising currently in RI.

Communication interests:

- Three VHF stations.
- One FM and five AM radio stations.
- Outdoor advertising facilities.

Rollins Inc. is the parent company of the nation's 37th largest MSO, Rollins Cable Vue, which has 107,000 subscribers in Delaware and Connecticut. Energetically franchising in Massachusetts, Rollins has received several franchise awards in that state. The company is also acquiring systems in Rhode Island. Along with three television stations, six radio stations and billboard advertising facilities, Rollins Cable Vue forms the company's smallest component, its media division. In fiscal year 1981, which ended June 30, the media division saw revenues of $62.14 million, an increase of 13.5 percent over fiscal 1980's $54.74 million. The corporation as a whole achieved revenues of $454.61 million during fiscal 1981, a 14 percent improvement over 1980's $400.4 million. Corporate assets grew to $313.46 million from 1980's $281 million.

Besides its media holdings, Rollins also owns the Orkin Exterminating Company, the largest termite and pest control firm in the world; Patterson Services, an equipment supplier for oil and gas exploration and drilling; and Rollins Protective Services, the largest home security firm in the United States.

Sammons Enterprises

P.O. Box 225235
Dallas, TX 75265
(214) 670-9790

Cable interests:

- Sammons Communications Inc.—systems in AL, CA, FL, IN, IA, KY, LA, MS, MO, NJ, NY, NC, OK, PA, TN, TX, VA, MD, WA. 54 systems in 210 cities and 21 states. Total subs: 453,021 (3/1/82).
- Franchise joint venture– Ft. Worth, TX, 80% ownership. Other 20% owned by local former owner (4/81).
- Sammons Production—produces sports programming for Sammons' systems (live and delayed broadcasts contracted from universities, etc.).
- Sammons Information Service—receive data transmission from Dow Jones and distribute to systems.

Sammons Enterprises, parent company of Sammons Communications, the number-13-ranked cable MSO, is a privately owned corporation. Total revenue for the company in 1981 was not available at press time, but 1980's figure was given to be $1.2 billion, with net income for that year set at $48 million (1981's net income was also not available).

The cable division is one of four. The other three include a distributing outlet for imported dinnerware, as well as for oil supplies and products, hotel and resort operations and an insurance business. The cable business has been an important contributor to the financial picture, but is not Sammons' biggest division. Nevertheless, revenues for 1981 are listed at $59.5 million compared to 1980's $50.2 million, an increase of 18.5 percent. Net income rounded out to $7.1 million for 1981, a 108 percent increase over 1980's total of $3.4 million.

Sammons Communications owns 54 cable systems in 210 cities and 21 states with total basic subscribers of 453,021. Presently, the company is involved in building its Fort Worth, Texas system, granted to Sammons in March 1980. The franchise is a joint venture, with Sammons controlling 80 percent of the cable system and 20 percent owned by local investors.

Also a part of Sammons Communications are a production company and Sammons Information Service. The service receives data transmission from Dow Jones and distributes it to systems. Sammons Productions handles sports programming, coming from both live and delayed sources, primarily universities and high schools, which are carried on its cable systems. Some of the material, however, is produced for other clients. Sammons also continues its franchising and acquisition operations throughout the cable industry.

Scientific-Atlanta Inc.

One Technology Pky. Box 105600
Atlanta, GA 30348
(404) 441-4000
Sidney Topol, chairman
Jack R. Kelly Jr., executive vice president

Cable interests:

- Manufactures satellite earth stations, produces products for and has sales organizations for all segments of satellite communication field. Equipment manufactured includes: antennas, cable, coaxial cable, subscriber home products, earth stations.

Currently turning out earth stations at the rate of 300 per month, Scientific-Atlanta is a leading manufacturer of headends and antennas in the United States. During the past few years, the company has broadened its equipment line, acquiring a coaxial cable manufacturer, Systems Communications Cable, in 1980, and introducing a 54-channel subscriber terminal in 1981. The company expects terminal sales to reach one million a year. In addition, Scientific-Atlanta sees enormous growth potential in supplying equipment for such interactive services as energy management systems, teleconferencing and electronic mail. In this area, S-A plans to provide a home security system for a cable operation in Green Valley, Ariz.

In fiscal 1981, ended last June, Scientific-Atlanta realized $277.29 million in sales, up 44 percent from the $192.0 million of 1980. Total corporate assets are approaching $200 million. Communications products make up about 60 percent of the company's sales, and instrumentation products for the semiconductor and telecommunications industries the other 40 percent. Communications sales have increased 83 percent and 93 percent during the past two years, a success that the company attributes to the "rapidly expanding cable and television markets." Start-up costs for the company's 54-channel terminal cut into corporate gross profits last year, which as a percentage of sales, decreased slightly in fiscal 1981. The company recently announced that it is starting production on a newer 54-channel model which will begin this spring.

Scripps-Howard Broadcasting

1100 Central Trust Tower
Cincinnati, OH 45202
(513) 621-0131
Jack R. Howard, chairman
Donald L. Perris, president

Cable interests:

- Scripps-Howard Cable Services Company: Lake County, FL—100% ownership; DeBarry, FL—100% ownership; Tulare, CA - 80% ownership (20% Mickelson Media), franchised in 82 (will build by year end); Ann Arbor, MI—49% ownership (Daniels & Associates owns and operates the franchise); Lower Fairfield County, CT—49% ownership (Cablevision Systems and a minority group own the rest), under construction; Springfield, MA—18% ownership (Continental Cablevision and The Tribune Company own the rest), will be built by 1982 year end.
- Participation in ABC/Westinghouse SNC by supplying local news.
- Longmont, CO—franchise pending, will own 80-100% if franchise is awarded to Scripps-Howard.

Communication interests:

- Four AM radio stations
- Four FM radio stations.
- Six television stations.

As owner of six television and eight radio stations, Scripps-Howard is a relatively new entry into the cable arena. Through partnerships with several different operators, though, the Ohio-based firm is quickly becoming a major MSO. Franchises in which Scripps holds an interest include: Ann Arbor, Mich.; the recently awarded Fairfield County, Conn. franchise (49 percent, with Daniels & Associates); Springfield, Mass. (18 percent, with Continental and Tribune); and Tulare County, Calif. (80 percent, with Mickelson Media).

Scripps is also involved in cable through another avenue, supplying cable operators with local news programs. In one instance, the company's *Rocky Mountain News* is pursuing a joint venture with Mile Hi Cablevision to bring Denver local news via cable. The company is also negotiating with Ted Turner and Westinghouse/ABC about providing local and regional spots for CNN2 and the Satellite News Channels. Scripps has a good reputation for news gathering ability, as the owner of United Press International. E.W. Scripps has been trying to find a buyer for the financially troubled UPI, but to no avail. Prospective deals with National Public Radio and with Reuters have fallen through.

Operating revenues for Scripps-Howard ended the year at $87.34 million, up from $76.99 million in 1980. Net income increased as well, from $16.5 million in 1980 to $19.2 million in 1981. Seventy percent of the company is owned by E.W. Scripps Co., a privately held firm.

Storer Broadcasting Company

1177 Kane Concourse
Bay Harbor Island, Miami Beach, FL 33154
(305) 866-0211
Peter Storer, vice chairman
Terry H. Lee, president

Cable interests:

- Storer Cable Communications—systems total 117; operational in 20 states; total subs: 920,000.
- Major 1981 franchise awards: Prince George County, MD—120,000 homes; Glendale, AZ—35,000 homes.
- Spotlight.

Communication interests:

- Seven television stations.

Storer Broadcasting's cable division, Storer Cable Communications, continued its strong revenue growth during 1981. From 1979 to 1980, the company's cable revenues soared 70 percent, to $68.23 million. During 1981, cable revenues grew even more dramatically, achieving a $132.7 million total, for a gain of 94 percent. The company's rapid expansion and capital expenditures, however, led to a 3.5 percent loss in net cable income for the past year.

Storer currently owns and operates 117 cable systems in 20 states, and its 920,000 subscribers make it the fifth largest MSO in the nation. Last year's franchising melee ended with Storer receiving two major awards: Prince George's County, Md., with 120,000 homes, and Glendale, Ariz., with 35,000 homes. Along with Times Mirror, Cox, TCI, and Cablevision Systems, Storer is also a part owner of Spotlight, the pay TV programming service that began satellite transmission last year.

Storer sees its own corporate direction as shifting from broadcast TV to cable, a shift that the company says parallels its earlier departure from radio to television, which began in the late 1940s. Although radio stations were once Storer's mainstay, by 1978 the company had completely abandoned that business. In 1981, net revenue for the entire company climbed 40 percent to $276.4 million from the previous year's $197.1 million. Net earnings during the same period rose from $24.8 million to $31.9 million.

Taft Broadcasting Company

1718 Young Street
Cincinnati, OH 45210
(513) 721-1414
Charles S. Mechem Jr., chairman
Dudley S. Taft, president

Cable interests:

- TCI-Taft Cablevision Association—50-50 joint venture which acquires systems (57,000 subs 3/31/82).
- Taft-TCI Programs—50-50 joint venture which develops programming; includes an investment in Black Entertainment Television.

Communication interests:

- Seven Television stations.
- 12 radio stations in nine markets.
- Hanna Barbara Productions.
- Taft Entertainment Company.
- Worldvision Enterprises.
- Four theme parks.
- Titus Productions and Ruby Spears Enterprises.
- Philadelphia Phillies.

During the past year, Taft Broadcasting moved into cable by teaming up with TCI, now the largest MSO in the nation, to pursue programming and franchising efforts together. The TCI-Taft group is restricting its franchise hunt to Michigan and New England. To date, the group has bought eight franchises in those areas, for a total of about 57,000 subscribers. TCI-Taft hopes to reel in about 200,000 subscribers by 1984. Plans in the programming division are less precise. On February 17, TCI-Taft announced that it had acquired a significant investment in Black Entertainment Television. In addition, hints are in the wind about a programming service for children, but nothing concrete has emerged as yet.

As of March 31, 1981, Taft's corporate net revenues reached $239 million, $1.375 million of which were earned by the "other business activities" division that includes the TCI-Taft enterprise. During the first three quarters of the fiscal year that ended March 1982, corporate revenues rose to $307.7 million, up from $194.3 million for the comparable period during the previous fiscal year. Although Taft began in the 19th century as a newspaper publishing company, the corporation has forsaken the newspaper business in favor of the lure of electronic media. Today Taft holdings range from seven television and 12 radio stations to the Taft Entertainment Company (a production firm), Worldvision Enterprises (a distribution firm), amusement parks, motels, campgrounds and travel services. Taft is also involved in real estate development and recently purchased a 47.5 percent interest in the Philadelphia Phillies baseball team.

Tele-Communications Inc.

Box 22595, Wellshire Station
Denver, CO 80222
(303) 771-8200
Bob Magness, chairman of board
John C. Malone, PhD., president and CEO

Cable interests:

- Tele-Communications Inc.—cable systems in 43 states; subscribers: 1,900,000.
- TCI-Taft Cablevision Associates—50-50 joint venture which acquires systems; subscribers: 57,000 (3/31/82).
- Taft-TCI Programs—50-50 joint venture which develops programming; includes an investment in Black Entertainment Television.
- 4/81—acquired Horizon Corporation with 135,000 subs.
- 5/81—acquired Cable Information Systems Inc. with 60,000 subs.
- TKR Cable Company—joint venture with Knight-Ridder; 42,000 subs in 21 communities.
- TCI owns 20% of Spotlight.

Communication interests:

- Western Tele-Communications Inc.—TCI's microwave division; provides common carrier communication services by means of terrestrial microwave video relay systems.

A company that seems to be everywhere at once, this Denver-based firm is currently the nation's largest MSO, with systems in 43 states and 1.9 million subscribers. Last year, corporate revenues jumped to $181.4 million from 1980's $124.4 million, a 45.8 percent leap. Cable operations brought in 92 percent of these revenues, and a microwave division that provides relay systems for interconnection scooped up the rest. TCI registered $12.8 million in net income in 1981, a 55 percent improvement over 1980.

A company that has been especially busy in the area of acquisition, TCI paid $30 million in cash and assumed a $40 million debt to bring Horizon Corporation and its 135,000 subscribers under the TCI umbrella last April. A month later, TCI bought Cable Information Systems Inc. of New York; 60,000 subscribers came along in that package.

TCI also enjoys teaming up with others for franchising and programming exercises. Last year, the company formed separate partnerships with Taft Broadcasting and with Knight-Ridder. TCI-Taft has since acquired eight systems in New England and Michigan, lining up 57,000 subscribers. The TCI-Taft group also has ambitious programming plans. In its first move in that direction, TCI-Taft announced purchasing a significant investment in Black Entertainment Television (BET). The TCI/Knight-Ridder enterprise, called TKR Cable Company, has bought most of Cross Country Cable's New Jersey systems, with 42,000 subscribers in 21 communities. TKR is aiming for 100,000 subscribers by the end of 1982. In yet a third partnership, TCI has joined Storer, Cox and Cablevision Systems in buying shares of Times Mirror's pay TV service, Spotlight.

Time Inc.

Time & Life Bldg. Rockefeller Center
New York, NY 10020
(212) 293-4300
J. Richard Munro, president
Ralph P. Davidson, chairman of board

Cable interests:

- American Television and Communication Corp. (ATC)—1.8 million subs; 125 systems in 33 states.
- Home Box Office.
- Cinemax.
- USA Network—one-third ownership.
- HBO owns six transponders on Hughes' Galaxy I satellite.
- Time Inc. is developing a cable television magazine to distribute program listings (4/82).

Communication interests:

- WOTV, Grand Rapids, MI.
- STV program marketing in Dallas, Boston and Cleveland.
- Time-Life Books.
- Magazine publishing (seven).
- Teletext development.

As the parent company of American Television and Communications Corporation and Home Box Office, Time Inc. owns both the nation's second largest MSO and the pay TV programming service with the highest subscriber level. Time's cable holdings also include Cinemax and a one-third interest in USA Network. In 1980, Time Inc. landed a 135th position in the *Fortune* 500. During the past year, the corporation saw revenues of $3.296 billion. Time's video division revenues rose 33 percent in 1981 to $618 million from $410 million in 1980. Cable activities were responsible for nearly all of this growth. Besides its expansion into cable, the company is also well-known for its line of consumer magazines: flagship *Time*, *Life*, *Sports Illustrated*, *Fortune*, *Money*, *Discover* and *People*, as well as its Time-Life Books division.

ATC currently operates 125 cable systems in 33 states, with 1.8 million subscribers. The 1981 acquisition of cable systems in Austin, Texas, and Honolulu added 150,000 subscribers to ATC rolls, and these communities now figure as the company's second and fourth largest systems, respectively. ATC has also met success in its franchising effort. During 1981, the company received contracts to construct and operate systems in several communities, including Indianapolis and Sheboygan, Wis. Denver joined the ATC bandwagon in 1982, awarding its franchise to Mile Hi Cablevision, a partnership consisting of ATC, Daniels & Associates and 22 local investors.

On the programming services front, HBO maintains its prominent posture in the industry with more than 8.5 million subscribers. Anticipating further growth, HBO negotiated the purchase of six transponders on Hughes's Galaxy I satellite and is seeking another transponder from RCA. In addition, HBO embarked on a $10 million advertising campaign in 1981, featuring prime-time spots on network television. HBO's programming now includes theatrical productions, which supplement its more conventional cinematic and special events fare. Cinemax, HBO's kid sibling, emerged in 1980 as a new pay TV offering from Time. After a full year of operation, Cinemax has found its way into more than one million households, and the parent company envisions further success as more cable operators begin to introduce multiple pay TV services.

The partial purchase of USA Network, a

programming service that mostly features sporting events, represents the newest programming venture for Time Inc. An advertiser-supported service, USA Network is also owned by Gulf+Western (Paramount Pictures) and MCA Inc. Time hopes to use this venture as a barometer to measure the potential of advertising and pay-per-view for generating cable revenue. To date, advertising clients on USA have ranged from American Express to Ford, Toyota and Xerox.

The Times Mirror Company

Times Square Square
Los Angeles, CA 90053
(800) 421-8603
Otis Chandler, chairman and editor-in-chief
Robert F. Erburu, president and CEO

Cable interests:

- Times Mirror Cablevision—approximately 60 systems in 13 states; total subs: 671,000.
- Spotlight—pay TV service featuring motion picture and entertainment specials.
- Joint venture with Infomart to sell Telidon interactive software in the United States.
- Advanced Information Systems Group—manage videotex experiment in Orange County, FL (1981).
- 50% interest in American Cable Television with franchises in Phoenix and other cities.
- Times Mirror Security Communications—tests two-way cable security systems.

Communication interests:

- Five newspapers.
- Book Publishing—Signet, Mentor, Meridian, Abrams, College Text.
- Seven television stations.
- Consumer magazines.
- Scientific chart production.

A corporation built around the 100-year-old *Los Angeles Times*, Times Mirror publishes newspapers, books and magazines, some of which include the recently acquired *Denver Post*, *The Sporting News*, and *Popular Science*, as well as the complete line of New American Library titles. Times Mirror also owns seven television stations and Times Mirror Cable Television, the seventh largest MSO in the nation with 671,000 subscribers in 66 systems. Times Mirror beefed up its Arizona cable interests by acquiring an additional 30 percent share of American Cable Television's operations in that state, changing the TM/American partnership from 80-20 to 50-50.

Last year, Times Mirror spawned a new division for managing both its pay TV service, Spotlight, and a home-shopping test that the company had undertaken with Comp-U-Card. The corporate shifting led to a complete metamorphosis for Spotlight, which now offers programming 24 hours a day and has become the common property of Cox, Storer, TCI, Cablevision Systems and Times Mirror. Company officials recently pulled out of the shopping channel project, citing a necessity to devote more time to Spotlight.

Times Mirror is also banking on the promises of interactive technology. A corporate division named Times Mirror Videotex Services is testing a Telidon videotex system in Southern California. Offering a host of interactive services ranging from information retrieval to electronic mail, the videotex experiment includes 350 participants from Palos Verdes and Mission Viejo. Times Mirror also has begun a joint venture with Infomart, the Canadian-based Telidon company's marketing unit, to sell Telidon interactive software in the United States. In addition, the company recently formed Times Mirror Security Communications to test two-way cable security in its Mission Viejo systems, and other areas throughout Southern California.

Corporate revenues for Times Mirror were $2.13 billion in 1981, 14 percent better than the $1.87 billion seen in 1980, a year that the publishing giant finished 194 on the *Fortune* 500.

Tribune Company

435 N. Michigan Ave.
Chicago, IL 60611
(312) 222-3232
Stanton R. Cook, president
John W. Madigan, executive vice president

Cable interests:

- Tribune Cable Company—systems in nine states; total subs: 100,000.
- Douglas Communication Corporation—subs: 35,000 (3/81).
- Alexandria Cablevision Company—acquired 12/81; total subs: 13,500.
- TCC/United Cable Television—joint venture to seek franchises; currently involved in MI, MD, CA.
- TCC/United Cable Television—awarded first system in Oakland County, MI; total homes: 104,000.

Communication interests:

- Chicago Cubs baseball team.
- Three television stations including WGN-TV.
- Five radio stations.
- Newspaper publishing.

A diverse communications corporation with assets of $1.36 billion and operating revenues of $1.41 billion, the Chicago-based Tribune Company, through its subsidiary Tribune Company Cable Inc. (TCC), maintains franchises in nine states, with a subscriber level of 100,000. The parent firm also owns Chicago "superstation" WGN-TV and recently bought WGN's major broadcast draw, the Chicago Cubs baseball team. In 1981, the corporate division that includes TCC earned $154 million in operating revenues, a figure that combines the company's cable, broadcast and entertainment holdings.

Tribune's major acquisitions in 1981 were directly related to cable expansion strategies. Besides the Cubs, the company picked up Douglas Communications Corporation in January 1981 (finalized in March), with its 35,000 subscribers, nearly doubling TCC's size. In addition, Tribune Cable acquired the Alexandria, Va., cable franchise, bringing in 13,500 more subscribers.

Toward the end of last year, TCC and United Cable agreed to seek several community franchises together: specifically, Oakland County, Mich.; Montgomery County, Md.; and Sacramento, Calif. In March 1982, the TCC/United group won the right for Oakland County's franchise, with 104,000 homes. If the city council follows through, the award would mark the first franchise victory for TCC, the 38th largest MSO in the nation.

Turner Broadcasting System Inc.

1050 Techwood Drive
Atlanta, GA 30318
(404) 989-8500
R.E. Turner, chairman
Peter A. Dames, senior vice president

Cable interests:

- Cable News Network.
- CNN2.
- WTBS.

Communication interests:

- Atlanta Braves.
- 66% interest in Atlanta Hawks.

The big news from Turner Broadcasting in 1981 was the announcement of plans for another programming service, CNN2. A fast-paced kid brother to the original Cable News Network, CNN2 began transmission on New Year's Eve and now reaches more than a million homes. While CNN delivers the news in depth, CNN2 offers peppy headline glimpses into daily events and mixes them with five-minute local spot avails every half-hour. Initially investing $3 million to start up CNN2, the company expects that the new service could break even by the end of this year or by early 1983. CNN now has 11.5 million viewers nationwide.

Over the past few years, the company has sold two radio stations, a television station and its interest in the Atlanta Chiefs soccer team. Turner's only remaining broadcast property is WTBS, the Atlanta "superstation," which now is carried by 3,941 cable systems with 19.5 million subscribers.

Revenues for WTBS last year hit $55 million, a 36 percent increase over the previous year's $35.5 million. Corporate revenues in 1981, meanwhile, amounted to $95.04 million, a 74 percent gain over the $54.66 million of 1980. Of these revenues, 87 percent, or $83.03 million, were related to cable, a significant increase over 1980's $43.05 million. Corporate assets grew 42.4 percent, finishing at $76.96 million, but income fell 275 percent, resulting in a loss of $13.42 million. The Turner company's sports teams, the Atlanta Braves (baseball) and the Atlanta Hawks (basketball), along with CNN costs, accounted for the deficit.

United Cable Television Corp.

4700 S. Syracuse Parkway
Denver, CO 80237
(303) 779-5999
Gene W. Schneider, president
David R. Van Valkenburg, executive vice president

Cable interests:

- United Cable Television—37 systems in 84 communities in 16 states; total subs: 464,000.
- Joint venture with The Tribune Cable Company (TCC) to seek franchise awards (1981).
- 3/82—franchise granted to TCC/United Cable Television in Oakland Count, MI (104,000 homes).
- 4/82—franchise granted to United Cable in Alameda, CA (31,000 homes).
- 1/82—acquisition of Home Entertainment Network (80%), a subsidiary of Buford TV Inc.

The nation's 11th largest MSO, United Cable is exclusively a cable operator. Its 37 systems serve 464,000 subscribers in 84 communities in 16 states. As of May 1981, United hauled in record earnings of $7.90 million, a 21 percent increase over 1980, and racked up $62.8 million in revenues, 41 percent more than in 1980.

An active franchiser, United has scored two recent wins in Arizona, receiving Scottsdale, with 44,000 homes, Glendale, with 35,000 homes, and one in California, winning Alameda, with 31,000 homes. The company also joined forces with Tribune Cable, pursuing franchises in Sacramento, Calif.; Montgomery County, Md.; and Oakland County, Mich. In March 1982, 64,000-home Oakland County awarded its franchise to the joint venture. In early January 1982, United signed a deal to acquire 80 percent of Home Entertainment Network Inc., a wholly owned subsidiary of Buford TV Inc., for $20 million. Home Entertainment is a subscription television operation serving five markets.

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Viacom International Inc.

1211 Avenue of the Americas
New York, NY 10036
(212) 575-5175
Ralph M. Baruch, chairman
Terrence A. Elkes, president

Cable interests:

- Viacom Cablevision—550,000 subs; systems in 13 communities (NY, TN, OH, WI, WA, OR, CA).
- Owns 50% of Showtime with Group W of Westinghouse.
- Cable Health Network.
- Two transponders on Galaxy I.

Communication interests:

- Two television stations.
- Eight radio stations (four AM, four FM).
- Syndicated television properties and feature films.
- Programming, development and production for television.
- Home Video Entertainment
- Plans to purchase Video Corp. of America (subject to approval of board and stockholders, 4/16/82).

All of Viacom's business operations attained record revenues in 1981. The $210 million corporate total surpassed 1980 revenues by 31.5 percent. Net earnings rose to $18.93 million, up 20 percent from 1980's $15.76 million, while assets improved nearly 21 percent, rising to $443.6 million.

A major corporate subsidiary is Viacom Cablevision, which sits among the nation's top ten MSOs with 550,000 subscribers. Last year the 10th largest MSO in the country raked in $85.19 million in revenues, or about 40 percent of those for the entire company. This figure translates into a 28.5 percent increase over 1980's $66.32 million. Moving along with industry trends, Viacom offers its Dayton, Ohio, system home security and emergency services via leased channels and has brought pay-per-view to Nashville, Tenn., and San Francisco subscribers.

On the programming front, Viacom is the company that formed the pay TV service, Showtime, now the second largest service in the country with nearly 2.9 million subscribers. Until 1979 the sole owner of Showtime, Viacom sold a 50 percent stake in the service to Teleprompter for $3 million. Viacom also controls a partial interest in the soon-to-premiere Cable Health Network. In addition, the company has arranged with Hughes to purchase two transponders on the Galaxy satellite, scheduled for a mid-1983 launch.

Viacom International also distributes films and television programming and owns two television and eight radio stations. The corporation recently donated an AM station to the United Negro College Fund. In addition, Viacom recently announced a merger with Video Corporation of America, a video technology company providing services to many communications interests. VCA is also engaged in a joint venture with Sony Corporation in videocassette duplicating.

Walt Disney Productions

500 S. Buena Vista Street
Burbank, CA 91521
(213) 840-1769
E. Cardon Walker, chairman
Ronald W. Miller, president

Cable interests:

- The Disney Channel—50-50 venture with Group W.

Communication interests:

- Walt Disney Motion Picture and Television Production Division.
- Walt Disney Outdoor Recreation Division.
- Walt Disney Telecommunications and Non-Threatrical Division.
- Walt Disney Marketing Division.
- Walt Disney Music Company.
- Wonderland Music Company.

The Disney Productions company has come a long way since the early days of Mickey Mouse. With revenues in 1981 climbing above the billion-dollar mark for the first time, the Disney outfit has decided to embark on a cable programming venture as a 50-50 partner with Westinghouse's Group W Satellite Communications, a service to be called the Disney Channel. Slated for a late-1982 or early-1983 introduction, the Disney Channel will carry family-fare programming drawn from the vast library of Disney films, from other sources, and from all the creative juices that a $100 million new programming budget can cause to flow.

Although the Disney Channel is the corporation's first cable TV enterprise, pay television is already a prime target of the corporate subsidiary, Walt Disney Telecommunications and Non-Theatrical Company, which distributes film and video. Besides distribution activities, Disney is renowned for its motion pictures, Disneyland and Disneyworld. The company is also involved in real estate, music publishing, character merchandising, publications and record manufacturing throughout the world. Company assets rose to $1.61 billion in the fiscal year that ended in September 1981. Disney has also committed approximately $800 million to build EPCOT Center, what the company calls "a monument to man's progress." It is, in fact, a futuristic amusement park built adjacent to Walt Disney World and scheduled to open Oct. 1, 1982. The company will spend an additional $150 million for expansion by the end of the center's first year.

Warner Communications Inc.

75 Rockefeller Plaza
New York, NY 10019
(212) 484-6990
Steven J. Ross, chairman
Emanuel Gerard, president
David H. Horowitz, president

Cable interests:

- Warner Amex Cable Communications—50-50 ownership with American Express Company; 146 systems in 27 states; total subs: 900,000.
- Recent franchises (1981)—suburban Chicago, Dallas, Cincinnati, St. Louis, Pittsburg.
- Joint venture with Atari Inc., Compuserve Inc. and American Express to experiment in Columbus, OH, to research consumer preferences regarding access to four major data banks (*NYT, Washington Post, LA Times*, Associated Press).
- Warner Amex Satellite Entertainment Company (WASEC)—MTV; Nickelodeon; The Movie Channel; agreement to represent all advertising for CNN and CNN 2 with Turner Broadcasting.
- QUBE interactive systems operating in Columbus and Cincinnati, OH, and Pittsburgh.

Warner Communications consists of 26 companies whose operations include consumer electronics and toys, recorded music and music publishing, films, publishing and related distribution, direct-response marketing and cable communications. The breadth of Warner's holdings ranges from the newly acquired Franklin Mint, to recordings, movies, cosmetics, DC Comics, *Mad Magazine*, a professional soccer team, and the immensely successful Atari Corporation, whose Defenders and Pac-Man video games are becoming a new national pastime.

Warner's operations are growing at breakneck speed. Corporate revenues for the first three quarters of fiscal 1981, through September, have already surpassed total revenues for fiscal 1980: $2.15 billion versus $2.06 billion. Net income for fiscal 1981 surged an astounding 65 percent, from 1980's $137.1 million to $226.5 million.

The company first entered cable operations back in 1971, but several years passed before Warner felt at ease with its investment in the new medium. In 1979, a strong boost in this direction came from American Express, when the financial services conglomerate purchased a 50 percent share in Warner Cable for $175 million, forming a new joint venture, Warner Amex. Today, with 146 systems and 900,000 subscribers, Warner Amex is the fifth largest MSO in the nation.

The venture's programming arm, Warner Amex Satellite Entertainment Company, owns The Movie Channel, MTV: Music Television, Nickelodeon, and, with ABC/Hearst, American Repertory Television Service (ARTS). WASEC handles the marketing and distributing activities for ARTS. WASEC will also represent all advertising sales for Turner Broadcasting's CNN projects, making WASEC the largest single seller of cable television advertising. In a related agreement with Turner, WASEC is leasing CNN a transponder on Satcom I.

During the mid-1970s, when most other cable companies were shying away from the expense of interactive technologies, Warner forged ahead with QUBE, which it first introduced to its Columbus, Ohio, subscribers in 1977. Estimates show that from 1977 through 1980 Warner Cable and later, Warner Amex, may have lost $31 million with QUBE, but the service is now beginning to reach a break-even point, just as interactive technologies are starting to gain strong momentum, which gives Warner Amex a highly desirable running start. Through QUBE III, Warner Amex has already brought such services as home security, information retrieval and home shopping to thousands of subscribers. QUBE Security Service, with 5,200 subscribers primarily in Columbus, is not only the largest cable security operation, but it is the fifth largest residential security service in the United States. Warner Amex now offers QUBE in Cincinnati and Pittsburgh as well as Columbus, and QUBE will soon be available in Houston and Dallas.

While Warner Amex closely guards its financial figures, projections show that Warner Communication's revenue share in 1981 may have reached $109.5 million, up 89 percent from the $58.5 million estimated for 1980. Franchise construction costs and QUBE led to an estimated $10 million income loss for Warner's portion of Warner Amex, however, projections indicate that QUBE may show a profit as soon as 1983. On July 1, Warner Communications and American Express replaced their previous guarantee against Warner Amex debts by investing $100 million each in their partnership.

Westinghouse Electric Corp.

Gateway Center
Pittsburgh, PA 15222
(202) 833-5055
R.E. Kirby, chairman
Douglas D. Danforth, vice chairman

Cable interests:

- Group W Satellite Communications (GWSC)—SNC I, II; Nashville Network; The Disney Channel.
- Group W Cable (Teleprompter)—1.6 million subs.
- Showtime (50%).
- Home Theater Network, Home Theater Network Plus.
- Clearview Cable TV; 80,000 subs in GA, FL.

Communication interests:

- Six television stations.
- 12 radio stations.
- Muzak & Filmation Studios.

Nowhere was the mushrooming of cable television more evident last year than in the activities of Westinghouse. The company that finished 34th in the *Fortune* 500, had previously enjoyed a relatively modest involvement in cable as the owner of Clearwater Cable TV, with 80,000-plus subscribers in Georgia and Florida, and as a partner in the pay TV movie service, Home Theater Network.

During 1981, though, Westinghouse's cable complexion completely changed. The company snatched up the number-three MSO in the country, Teleprompter, for $646 million, an acquisition that brought Westinghouse 1.64 million subscribers and a 50 percent interest in Showtime, the second largest satellite-delivered movie service (behind HBO). Muzak and Filmation studios, companies whose products bear no direct relation to cable, also came along in the Teleprompter package. Westinghouse recently announced that Teleprompter will now be called Group W Cable.

Through its Group W division, which handles all

broadcasting and cable business, Westinghouse created Group W Satellite Communications (GWSC) to serve as an umbrella division for satellite services. GWSC, in turn, has announced plans to begin three joint programming ventures. The first project, with ABC Video Enterprises, will be known as Satellite News Channels (I and II), 24-hour news services that will intersperse regional spots with national and local coverage. The second venture, with Walt Disney Productions, is the Disney Channel, which will draw from the Disney film library and other sources, offering family programming 16 hours a day. Home Theater Network, meanwhile, has spawned another movie service, Home Theater Network Plus. At the end of June, the original HTN service will cease operation. Another service to begin operation in 1983 is The Nashville Network, a country music venture with NLT Corporation. To transmit its satellite programming, GWSC has entered into agreements with Western Union and Hughes for rights to 14 transponders.

The parent company's 1981 sales climbed to $9.368 billion, with assets of $8.3 billion. Group W revenues for broadcasting and cable together accounted for 5.2 percent of the corporation's overall earnings, or $431.9 million, up from 1980's $266.5 million.

Wometco Enterprises Inc.

316 N. Miami Ave.
Miami, FL 33128
(305) 579-1200
Mitchell Wolfson, chairman
Charles Simons, acting president

Cable interests:

- Wometco Communications—systems in GA, MS, LA, AL, NY, NC, SC; total subs: 201,000 (includes small system in the Bahamas).

Communication interests:

- Six television stations (four VHF).
- One radio station.
- Wometco Home Theater—over-the-air subscriber service (NY, NJ, CT, PA).

A company that began as a motion picture theater business in Miami in 1925, Wometco today owns six television stations, a radio station, soft drink bottling firms, a vending machine operation, a food service, Seaquarium, an STV business known as Wometco Home Theater, and 43 cable systems, as well as interests in the theater business. The first cable company to offer tiers of service to subscribers, Wometco Communications is the 22nd largest MSO in the nation, with 201,000 subscribers.

In 1981, Wometco revenues rose to $434.3 million from $357.2 million in 1980, a gain of 21.5 percent. This respectable showing pales when compared with its cable division's performance, where revenues jumped to $33.0 million from 1980's $20.4 million, a remarkable 61.9 percent increase.

Rumors are in the air, however, that Wometco may soon be put on the selling block.

Zenith Radio Corporation

1000 Milwaukee Ave.
Glenview, IL 60025
(312) 745-2000
Joseph S. Wright, chairman
Revone W. Kluckman, president and CEO

Cable interests:

- Videotex system technology exploration and development.
- ZTAC addressable converter/decoder system; manufactured and distributed.

This past year, the Chicago-based Zenith corporation sustained a 41 percent drop in net income, from $26.4 million in 1980 to $15.6 million, a loss that the company ascribes to inflation and "industry competitive pricing." Net sales, though, improved slightly, reaching $1.28 billion, an 8 percent gain over last year. The division that houses Zenith's equipment line for the cable industry registered a much stronger performance, increasing its sales to $109 million from 1980's $81 million, nearly a 35 percent improvement.

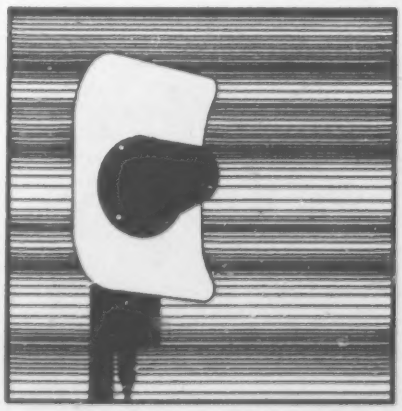
Zenith's cable business centers on the company's Z-TAC addressable converter. The 54-channel Z-TAC will soon be joined by a 120-channel counterpart. By the end of 1982, subscribers to cable systems in 26 communities will be pushing buttons on Z-TAC converters.

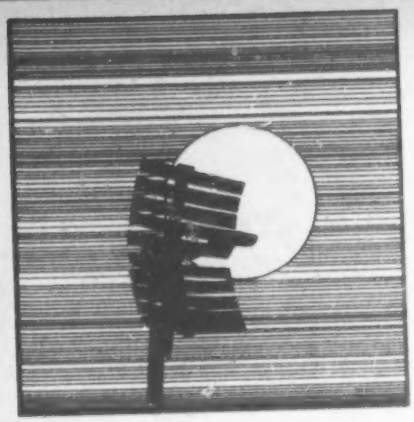
Zenith is also developing products for interactive services and teletext systems. The company supplied the decoder-equipped color TV sets for a videotex experiment in Chicago conducted by Field Communications last year, the first commercial videotex experiment authorized by the FCC. A second videotex trial run using Zenith equipment is underway in Cincinnati. In addition, Zenith has developed the Virtext and Virdata teletext systems for receiving satellite transmission of newswire reports. The company has already shipped about 250 of these systems to cable operators.

Primarily known for its color televisions, Zenith manufactures a range of video and electronic equipment, including VCRs, picture tubes, switching transformers, decoders for STV, and Heathkit electronic "do-it-yourself" kits. Through its data systems division, Zenith produces microcomputers and software. The company is considering dispensing with its audio business, in which case Zenith Radio might want to consider a new name.

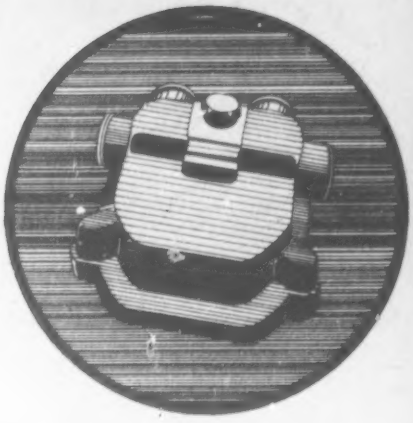
Top 50 financial overview

Company	Total revenues/ Net income *			Total assets/ Cable revenues *			Oper. income/ Ident. assets *			Stock prices '81	Stock prices '80
	'81	'80	%ch.	'81	'80	%ch.	'81	'80	%ch.	hi/lo	hi/lo
General	27,240	24,959	+9.1	20,942	18,511	+13.1	N/A			69⅞	63
Electric	1,652	1,511	+9.0	N/A			N/A			51⅛	44
Company											
Getty	13,251	10,436	+26.9	9,536.4	8,266.7	+15.3	N/A			93½	108¼
Oil	856.9	871.9	-1.7	N/A			N/A			55¼	65½
General	11,026	9,979	+10.5	21,113.3	19,525	+8.1	110	131	-16	34¼	29¼
Telephone	690	447	+54.4	2,238	2,110	+6.1	1,769	1,673	+5.7	24⅝	23
& Electronics											
Westinghouse	9,367	8,514	+10.	8,316.2	6,815.4	+22	78.1	64.4	+21.3	34½	32½
Electric	438	402	+8.7	431	266	+62	1,376.2	204.5	+57.3	23	19
RCA	8,004.8	8,001.3	0	7,856.7	7,147.6	+9.9	83.1	90.9	-8.6	32¼	33
Corporation	54	315	-82.9	269.8	253.5	+6.4	693.4	579.9	+19.5	16¾	18½
American	7,211	6,366	+13.3	25,103	22,608	+11	-10	0		54⅜	40⅜
Express	518	462	+12.1	109.5	58	+88.8	N/A			37½	25¼
Company											
Gulf+	5,702.5	5,338.5	+6.8	5,893.2	5,416.8	+8.7	N/A			22⅛	18⅝
Western	290.9	255.3	+13.9	N/A			N/A			14	10⅞
Industries											
CBS Inc.	4,125.9	4,062.1	+1.5	2,425.6	2,301.2	+5.4	299.6	248.8	+20.6	61.25	55.75
	163.8	193	-15.1	1,919.9	1,701.4	+12.8	N/A	641.8		46	50.25
The Penn	3,348.8	2,013.7	+66	3,394.9	2,726	+24.5	18.7			32⅝	21⅝
Central Corp.	168.7	93.6	+80	286.6			374.9			31⅝	9⅜
Time	3,296.4	2,800	+17.7	2,754.8	2,322.6	+18.6	123	93	+32.2	41⅜	31 9/16
Inc.	148.8	141.2	+5.4	618	410	+50.7	863	597	+44.5	26⅝	19





Company	Total revenues/ Net income *			Total assets/ Cable revenues *			Oper. income/ Ident. assets *			Stock prices '81	Stock prices '80
	'81	'80	%ch.	'81	'80	%ch.	'81	'80	%ch.	hi/lo	hi/lo
Warner	3,237.2	2,059	+57.2	2,673.6	1,768.8	+51.2	-10.0	0		58⅝	40¾
Comm. Inc.	226.5	137.1	+65.2	109.5	58	+88.8	N/A			35⅝	17¼
North American	3,030.4	2,171.4	+39.5	1,854.1	1,517.9	+22.1	43.3	34.3	+26.3	59⅞	39⅞
Philips Corp.	104	74.5	+39.6	690.8	529.9	+30.3	346.8	307.4	+12.8	35¾	23½
American	2,443.7	2,280.4	+7.2	1,588.3	1,418.3	+12.0	N/A			38¼	39¼
Broadcasting	146.3	146.3	+0	N/A			N/A			27	25⅝
Companies											
Times Mirror	2,130.8	1,868.9	+14.0	1,917.2	1,734.8	+10.5	64.2	47.2	+35.8	N/A	45⅝
Company	N/A	139.2	—	190.6	139.9	+36.2	421.9	338.7	+24.6	N/A	28¾
Pioneer	1,433.8	1,320.0	+8.6	1,158.6	918.1	+26					
Electronic Corp.	63.8	86.2	-25.9	94.3	74.0	+27					
Tribune Company	1,406.3	1,233.3	+14.0	1,363.9	1,071.3	+27.3	27.1	25.5	+6.2	N/A	
	9.1	78.0	+14.2	154.1	126.0	+22.3	267.2	144.8	+84.5		
MCA Inc.	1,329.0	1,297.1	+2.5	1,367.7	1,390.6	-1.6				59	57¾
	89.8	137.6	-34.8	N/A						38⅝	44⅛
Zenith Radio	1,275.2	1,185.9	+7.5	743.2	655.4	+13.4	N/A			21½	21¼
Corp.	15.6	26.4	-40.9	109.0	81.0	+34.5				10¼	7⅜
Knight-Ridder	1,237.1	1,098.5	+12.6	984.7	862.4	+14.2	N/A			41¾	32⅛
Newspapers Inc.	100.4	92.9	+8.1		N/A**			N/A**		26¾	19⅛
Sammons	N/A	1,200	—	N/A	945	—	7.1	3.4	+108		
Enterprises	N/A	48.0	—	59.5	50.2	+18.5	106.2	97.4	+9	Private firm	



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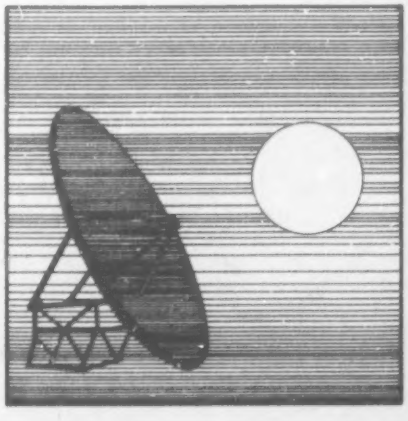
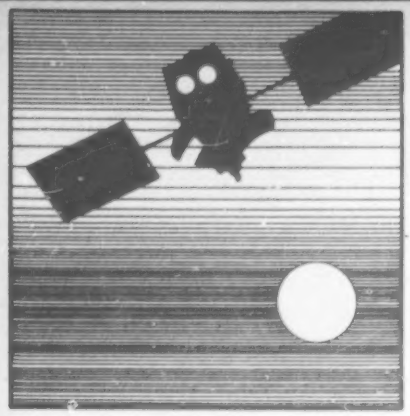
	'81	'80	%ch.	'81	'80	%ch.	'81	'80	%ch.	hi/lo	hi/lo
Central Telephone	1,020.4	895.3	+13.9	2,036.3	1,899	+7.2	17.3	15.1	+15.2	35.75	27.87
& Utilities	104.5	91.9	+13.7	155.8	129.4	+20.4	137.4	71.4	+92.7	23.12	21.25
Corp.											
Walt Disney	1,005	914.5	+9.9	1,610.0	1,347.4	+19.5		N/A		67⅛	53⅞
Productions	121.5	135.2	-10.1		N/A			N/A		41¾	35½
New York	845.2	733.2	+15.3	598.9	449.5	+33.2	3.5	3.8	-8.2	38½	38
Times Co	50.0	40.6	+23.1	36.8	17.3	+113.2	133.8	48.4	+176.1	26½	18
General	698.6	618.6	+12.9	734.6	642.6	+14.3	82.3	36.2	+127.5	97½	54
Instrument Corp.	65.5	49.3	+33.0	301.3	193.2	+56	107.1	76.9	+39.3	74¼	40¾
Insilco Corp.	684.9	641.8	+6.7	594.9	537.5	+10.7	7	5.2	+34.5	25⅛	23⅜
	34	30.4	+11.7	120[1]	100.3	+19.6	69.4	51	+36.0	14⅛	10¼
Dow Jones & Co.	641	530.7	+20.8	532.1	396.6	+34.2		N/A		N/A	
	71.4	58.9	+21.2		N/A			N/A		N/A	
Capital Cities	573.8	472.1	+21.5	697.6	520	34.2	(3.1)	(2.5)	-22.3	80½	72
Comm. Inc.	80.5	70.8	+13.7	21.4	.03	+712.3*	186	9	+1,964*	56½	40
M/A-COM Inc.	514.7	341.5	+50.7	517.7	260.1	+99.	30.	18.0	+66.2	35½	25¾
	40.3	26.7	+51.	180.5	108.9	+65.7	95.3	70.4	+35.3	20¾	7¾
Oak Industries	507.1	385.6	+31.5	609.3	408.7	+49.1	53.8	32.6	+65.3	38½	25⅛
	30.4	20.1	+51.5	260.5	161.4	+61.5	291	130	+123.7	21⅛	13¼
Rollins Inc.	454.6	400.4	+14	313.5	281.0	+12	18.3	16.2	+13	22½	15⅞
	44.4	35.3	+26	62.1	54.7	+13.5	52.6	45.9	+14	13⅜	17⅞





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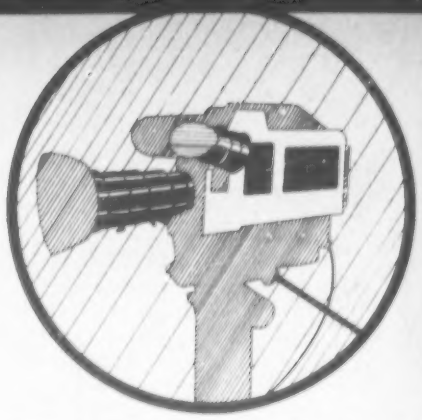
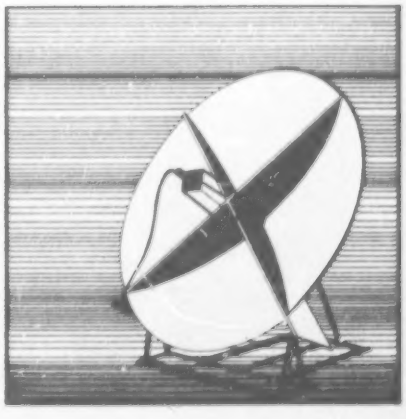
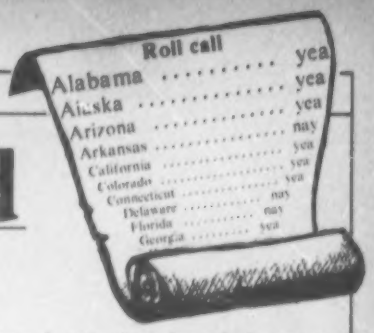
	'81	'80	%ch.	'81	'80	%ch.	'81	'80	%ch.	hi/lo	hi/lo
Anixter	441.5	363.6	+21	198.3	161.6	+23		N/A		20.5	8.81
Brothers Inc.	18.5	15.3	+21		N/A			N/A		8.75	3.5
Wometco	434.2	357.2	+21.5	448.2	337.6	+32.7	4.7	3.5	+33.3	25¼	17⅝
Enterprises Inc.	24.4	20.8	+17.3	33	20.4	+61.9	95.9	63.2	+51.9	14¾	9⅝
Cox Comm. Inc.	403.5	309.2	+30.5	604.4	461.3	+31	30.5	21.8	+39.7	39⅛	30½
	55.5	56.4	-1.6	188.5	125.9	+49.7	391.1	252.5	+54.9	27⅛	15
Playboy	388.9	363.2	+7	291.9	320.5	-8.9		N/A		17⅜	19½
Enterprises Inc.	14.3	13.1	+9.7		N/A			N/A		10½	11
Harte-Hanks	348.5	303.7	+14.8	397.8	341.2	+16.5	16.5	16.5	0	40¾	35
Comm. Inc.	25.4	22.7	+11.7	68	62.2	+9.3	128.2	116.4	+10.1	29	19⅝
Taft	307.7	194.3	+58.3	626.4	544.9	+14.9		N/A		34	35¼
Broadcasting Co.	36.5	29.3	+38.5		N/A			N/A		24¼	20
Scientific-	277.3	192	+44.4	197.2	138.9	+42		N/A		34.75	14.38
Atlanta Inc.	19	12.7	+49.4		N/A			N/A		12.63	6.5
Storer	276.4	197.1	+40.3	844.6	505.8	+67	5	5.2	-3.5	43	43
Broadcasting Co.	31.9	24.8	+28.5	132.7	68.3	+94.2	629.1	335.6	+87.5	23¾	36
Affiliated	236	206.5	+14.3	125.6	105	+19.7		N/A		N/A	32½
Publications Inc.	14.2	12.9	+10.5		N/A			N/A		N/A	14½
Viacom	210.4	160.1	+31.5	443.6	367.9	+20.6	15.7	14.8	+6.2	32½	29½
International	18.9	15.8	+20.1	85.2	66.3	+28.5	150.1	99.9	+50.2	22	15 5/6



Company	Total revenues/ Net income *			Total assets/ Cable revenues *			Oper. income/ Ident. assets *			Stock prices '81	Stock prices '80
	'81	'80	%ch.	'81	'80	%ch.	'81	'80	%ch.	hi/lo	hi/lo
Multimedia Inc.	195.3	163.6	+19	256.1	211.1	+21	3.3	1	+233.2	37¼	32
	25.8	21.6	+19.5	19.4	8.9	+117	76.9	38.6	+99.5	27	15
Tele-	181.4	124.4	+45.8	608.3	348.6	+75	30	19.7	+52.2	31⅜	29¾
Communications Inc.	12.8	8.3	+55.6	167.7	111.9	+49.9	574.2	275.7	+108.3	16⅝	7⅜
Augat Inc.	173.9	161.6	+7.6	166.5	149.4	+11.4		N/A		34	31.33
	20.1	18.3	+10.1	N/A			N/A			23¾	14.17
Burnup & Simms	167.4	152	+10.2	139.9	104.9	+33.4	8.2	5.5	+48.4	17⅞	11½
	6	5.9	+1.3	89.9	50.1	+79.6	31.8	23.9	+32.7	8½	5⅜
Continental	165.5	180.7	-8.4	96.4	101.4	-4.9	2.4	5.7	-58.3	8½	8⅛
Copper & Steel Ind.	6.7	4.5	+49.5	106.8	122.3	-12.7	52.2	52.4	-.45	5¾	5
Rogers	109.6	70	+56.5	421.3	306.2	+37.6		N/A		13.25	14.63
Cablesysterns Inc.	2.6	12.4	-79		N/A			N/A		5.63	4.38
Turner	95	54.6	+74	77	54	+42.4	6.9	5.9	+218.2		N/A
Broadcasting	(13.4)	(3.6)	-275.5	83	42.7	+94.4	47.1	34.5	+36.8		N/A
System											
Scripps-Howard	87.3	77	+13.4	112.8	93.3	+20.9		N/A		23¼	16½
Broadcasting Co.	19.2	16.5	+16.6		N/A			N/A		11⅝	12¾
Heritage Comm. Inc.	77.2	25.1	+207.6	111.8	67.3	+66.2	6.2	2.7	+130.5	16½	18¼
	3.8	1.8	+113.7	27.5	13.8	+98.3	72.9	55.9	+30.4	8	5⅞
United Cable	62.8	44.7	+40.6	155.4	98.3	+58		N/A		36¾	16¼
Television Corp.	7.9	6.5	+21.2		N/A			N/A		14⅞	7⅝



Legislative scorecard



Cable measures attracting extra attention as states pass, table and debate a variety of legal propositions

"While we are watching the federal eagle, the state ducks are nibbling us to death."

— Thomas Wheeler, president, National Cable Television Association

WASHINGTON—This year, state houses across the country have been flooded with more bills regarding cable than ever before. Much of the legislation carries broad regulatory ramifications or attempts to derive revenue from cable.

Industry representatives have seen a shift from an era of legislation primarily involving franchising, pole attachment regulation and state authority over cable to a period which includes bills to tax cable services, curb "indecent" programming, establish municipal ownership and declare cable to be a public utility.

This growing tide of state legislation led the National Cable Television Association to set up a state government relations office last February. Director Jim Ewalt and assistant director Jude Hastings predict there will be nearly 200 bills relating to the cable industry introduced in state legislatures by the end of May, nearly twice the number introduced by the same time last year.

As of April 1, 155 cable bills had been introduced, according to the NCTA state office. The number of bills this year carries even greater significance because six states (Arkansas, Montana, Nevada, North Dakota, Oregon and Texas) are not holding legislative sessions, while others have short sessions due to upcoming elections. The majority of the states have now ended their 1982 sessions.

Cable's new federalism

Fueling the growth of state cable legislation, Ewalt believes, is the mood of the "new federalism." President Reagan's pronouncements of a new federalism, in which the responsibility for federal programs would be shifted from the federal to the state and local level, may precipitate even more bills to place cable under the jurisdiction of PUCs and to raise tax revenues from cable services, Ewalt said.

"There's a new emphasis on the states," Ewalt said. "I think there are three main factors contributing to it. The federal government is getting out of the business of regulating, and states seem to be moving in to fill that void. And—related to the new federalism—as there are less federal dollars available, the states see cable as a new source of revenue. The third factor is the heightened visibility of cable: now you can read about it everywhere."

Nine bills involving some form of government ownership over cable systems were introduced this year, according to NCTA data compiled between January 1 and April 9. Two states, Alabama and South Dakota, approved municipal ownership, but their measures allow it only on a limited basis. The Alabama bill permits the rural town of Sardis to establish a municipal cable corporation, while the South Dakota measure allows municipal ownership only if a city already owns a power or telephone company.

Minnesota lawmakers approved a 5 percent sales tax on cable service, as well as on MDS, STV and MATV systems; it goes into effect May 1. Overall, nine state bills were introduced to tack a sales tax on cable services, while nine other taxation measures affecting the industry were drawn up.

Bills to place cable under the jurisdiction of PUCs have been long-running battles in some states. In Illinois, for example, industry representatives have successfully thwarted a PUC bill every year since 1967. This year, nine PUC bills were introduced, though none appear to be poised for approval.

However, a major battle is still brewing on a far-reaching bill in California that goes beyond standard PUC measures. The Cable Communications Act of 1982 (AB 2742), introduced by assemblyman Richard Robinson (D-Santa Ana), would declare cable communications systems to be public utilities, subject to state regulation by the California Public Utilities Commission. Spencer Kaitz, executive director of the California Cable Television Association, quite simply calls the measure "the most devastating legislation ever proposed for cable television."

The California utility bill has drawn widespread attention, largely because the state is considered one of the trendsetters for cable legislation. Hearings on the bill have been delayed twice and are scheduled for May 10.

A fight over similar utility legislation, which drew less attention, was waged in West Virginia. Governor Jay Rockefeller backed one of three measures to treat cable systems as public utilities. None of the measures made it out of committee. "But governor Rockefeller is still not convinced that cable shouldn't be a public utility," said Sue Talbott, president of the West Virginia Cable Television Association.

"Indecent" bills

Obscenity bills grabbed a lot of headlines during recent legislative sessions and caused a great deal of worry in the industry. [illegible] bills to ban "indecent" programming never got too far in most states. The most significant bill is pending in Utah, where an obscenity bill which passed last year was struck down in court. Anti-pornography backers persist, however, and are seeking a measure this year which could withstand legal threats.

Because it was an election year, obscenity bills progressed further than they might have otherwise. As Paul Cianelli, executive director of the New England Cable Television Association, said, "The politician doesn't want to look as though he's supporting pornography."

A similar sticky political situation occurred in Arizona, state association executive director Susan Bitter Smith reported. A conservative group called Citizens for Decency in Law backed an adult programming prohibition which legislators found politically difficult to avoid. Finally the House Rules Committee declared the measure unconstitutional.

Pornography bills were also introduced in California, Florida, Massachusetts, Minnesota, Missouri, New Jersey and New York. All of the measures in these states are essentially dead, although some association heads believe the bills may resurface.

States also have demonstrated a growing interest in privacy legislation. Ten privacy bills were introduced in

recent sessions, more than in previous years. Wisconsin became the second state to set privacy standards, following Illinois' lead.

While state associations spent far more time battling legislation, some found that the increased awareness of cable issues, plus the friendships that develop through lobbying, has won them some friends. There was wider support for theft-of-service measures, though none of nine bills introduced this year has met final approval. A theft of service bill is pending in California that would crack down on that state's growing decoder business.

Franchise renewal bills

The legislative year also brought indications of state support for bills highly favored by operators: franchise renewal measures. Legislation in Massachusetts and California—two states considered national barometers of regulatory trends—sought to make it more difficult to toss out an incumbent cable company at franchise renewal time, provided the company met certain standards.

Neither renewal bill looks as though it has a chance of passing this year. But cable associations for both states were pleased that the measures were considered and will push them again in following sessions. New England association head Cianelli said renewal legislation will be his organization's "number one priority" in Massachusetts.

Also in cable's favor, Minnesota and Virginia passed legislation prohibiting landlords from denying cable companies' access to multiple dwelling units, such as apartments and condominiums. Florida lawmakers amended a landlord/tenant law passed last year regarding condos, so that it now includes apartments and mobile homes. However, rental apartment lobbyists were able to water down the amended Florida bill with certain loopholes, according to state association executive director Thomas Gilchrist Jr.

While cable operators worry about creeping government intervention, legislators in three states introduced measures to prohibit municipal ownership. However the bills, in Arizona, California and New Jersey, have not gotten far.

Boulder influence

'Landmark decision' by Supreme Court leaves cable industry tied in knots

It has been called a landmark decision. It has also been referred to as a legislative nightmare. The potential results have been described as "devastating," with effects on franchised businesses ranging from cable television to garbage collection.

Such has been the hyperbole surrounding the Supreme Court's ruling last January that municipalities are not exempt from antitrust laws unless they are furthering "a clearly articulated and affirmatively expressed state policy." Once the local governments distilled down the language, they came to realize that they are just as subject to antitrust suits as private business is in certain matters.

What the effect will be on garbage collection does not warrant attention here. It is the granting of an exclusive cable franchise that has many local and state governments up in arms and has attracted the attention of the entire cable industry. As a result of the ambiguity that many communications lawyers and industry observers claim the decision has wrought, municipal representatives are pushing for legislation at the state level that would give them the necessary authority to grant exclusive franchises for cable without the fear of a lawsuit.

In a recent article of *CableVision* (*CV*, 3/15/82, p. 62), Howard Gan, general counsel of the Cable Television Information Center, stated that only 11 states "provide for cable television regulation, while 15 others have conferred some form of cable TV franchising or regulatory authority on local governments." Twenty-four states, therefore, have not granted specific cable regulatory authority to local governments.

"It is apparent that in these 24 states, municipal actions are clearly not exempt from antitrust scrutiny," Gan said.

But the states are beginning to wise up. The need to protect local governments from lawsuits is finding its way to state houses.

However, the process of introducing or even discussing such legislation is regarded as a touchy subject. "It's an issue that legislators want to take up on one hand and ignore on the other," said one cable association president.

"No legislation has moved in Pennsylvania," said Stanley Singer, executive director of the cable association there, "but in light of the Boulder decision, we're trying to hammer out an agreement with the legislature to give communities the right to franchise.

Legislatures in the past have typically been slow in terms of cable issues, but as the industry continues to expand, most are cognizant of the need to address many facets of cable regulation and deregulation and realize the potential confusion the Boulder backlash could cause. As a result, state representatives and senators are introducing legislation they feel is appropriate. Presently, three states—Maryland, Michigan and Virginia—have adopted what has been referred to as "Boulder type" legislation. Ten more states have similar legislation currently introduced and under debate. A number of other states are considering developing similar laws with Wisconsin, Colorado, California, Pennsylvania and Kentucky among those in the forefront.

Unfortunately, some of the legislation designed to offset this potential crisis for local municipalities has fostered additional language which in some cases could give local jurisdictions too much authority to govern cable systems. Indeed, some legislatures are taking advantage of the pressure to get such a bill introduced and passed before opponents can mount a lobbying effort against it and in the process, inserting powerful language which establishes further regulation over cable systems.

State cable associations are advising their local operators to approach the Boulder bills cautiously. They urge a complete scrutiny of the language involved. The ultimate result is a corresponding delay in franchise awards. "Because of all this, cities and municipalities are putting off decisions on cable franchises because they are fearful of a lawsuit," said one state executive director. "Right now, I feel like we're kind of in a cable twilight zone."

The legislative scorecard indicates a near dead heat regarding rate regulation and deregulation. Five measures were introduced favoring rate regulation and six sought deregulation. Proponents on both sides are not likely to score any legislative victories, however.

Minnesota had a unique franchise deregulation measure signed into law. The resolution provides an option for cities with cable systems carrying less than 1,000 subscribers to opt out of the state franchise certification process.

Finally, 1982 is unique in that the legislative scorecard contains 10 "Boulder bills": legislation to offset the possible legal ramifications of the U.S. Supreme Court's ruling that municipalities are not exempt from antitrust laws when granting exclusive franchises. Maryland, Michigan and Virginia each passed measures to protect their local governments in some way.

—Craig Leddy and Peter Evanow

Legislative list

As of April 1, 1982, approximately 155 individual cable-related bills have been introduced in the States. They are categorized as follows:

Access Channels	6
Access to Buildings	6
Franchise Authority	17*
Franchise Fees	3
Franchise Requirements	4
Franchise Renewals	2
Government Ownership	9
Line Extension	3
Media Crossownership	3
Pole Attachments	6
Privacy	10
Program Content	11
Rate Regulation	5
Rate Deregulation	6
Regulation	5
State/PUC Regulation	9
Taxation	6
Sales Tax	9
Property Tax	3
Theft of Service	9
Other	30
Total	162**

* 10 of these bills are Boulder-type legislation

** Number reflects bills covering more than one topic

Chart courtesy of National Cable Television Association

Legislation roundup

Alabama

Approved: H.B. 368. Authorizes the town of Sardis to establish a municipal corporation to operate a cable television system.

Pending: S.B. 368. Gives small cities the right to issue franchises.

Alaska

Alaska has long worked toward a balanced communications policy and is currently considering measures to create a state communications office to oversee the planning and implementation of all communications policy, including cable. The state is also undergoing a three-year trial period of rates free of regulation, and the cable association hopes to extend the deregulation period. "What's on the horizon is continual economic deregulation for cable television in Alaska," association president Bob Gould said.

Pending: H.B. 535. Criminal penalties for theft of service; not likely to pass.

Arizona

Failed: H.B. 2510. Precludes adult programming from being shown on cable TV; House Rules Committee ruled unconstitutional.

H.B. 2383, Deregulation measure, including a ban on municipal ownership, prohibitions on program content control by a licensing authority (county or city) 5 percent franchise fee limit, prohibitions on regulating subscriber rates.

California

Many far-reaching bills are still pending before the California legislature, and hearings on some will be held this month.

Pending: A.B. 2742. The Cable Communications Act of 1982 would declare cable systems to be public utilities subject to regulation by the California PUC, would establish procedures to publicly allocate franchise fees and 10 percent of gross revenues and mandate programming services; hearing May 10.

A.B. 2735, A.B. 2892, A.B. 2897. Privacy legislation hearing May 10

A.B. 699, A.B. 2321, A.B. 2778, A.B. 3685. All relate to giving operators the option of joining a rate deregulation program; hearing May 10.

A.B. 2796. Would encourage all forms of cable ownership; taken off calendar.

A.B. 2725. Requires 90-day pole clearance by utilities; dropped by author.

A.B. 3130. A Boulder bill containing franchise renewal protections; taken off calendar.

A.B. 2348. Established a sales tax on the leasing of videotapes and films; language affecting cable is expected to be edited out.

S.B. 1505. Civil and penal remedies for theft of services; in Senate Finance Committee.

S.B. 1700. Curbs "indecent" programming via cable; referred for interim study

S.B. 1908. Franchiser can award exclusive franchises and set regulations regarding rates.

Colorado

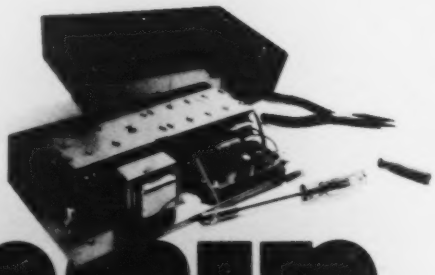
Cable legislation has been relatively non-existent here, although there was consideration of a bill that would have allowed the public utility commission to regulate cable systems. However, the state cable association effectively "put the reins to that one," according to one member. Colorado is considering some form of legislation as a result fo the Boulder decision, which helped put Colorado on most cable operators' maps as being more than just "ski country."

Connecticut

Legislation pertaining to cable has been introduced in the form of eight bills. This state is the most heavily regulated, with cable under the thumb of the Department of Public Utility Control. However, only one bill introduced has passed so far. Queried about being regulated by the state utility commission, Michael Dorfsman, executive director of the Connecticut Cable Television Association, called it interesting. "We benefit by the state's technical expertise as it affects cable," he said. "There are staff members who understand signal leakage and those types of problems."

Approved: H.B. 85418. This bill provides for free service to schools and libraries. Late language tacked onto the bill also forces cable operators seeking to transfer or sell their systems to obtain approval from the Department of Public Utility Control. The DPUC must consider the ownership of the pending purchaser.

Failed: H.B. 5255. This bill would



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have imposed a personal property tax on cable, but reduce the gross earnings tax, the latter a state tax (currently at 9 percent). The personal property tax would have provided municipalities instead of the state with revenues and thus failed to get out of the committee.

H.B. 5416. This bill would have removed the requirement of cable companies to mail their program guides by the first of the month. Cable companies contended that they do this anyway, but the bill died because of opposition from the DPUC which wanted that requirement to remain.

Pending: H.B. 5462. This bill has been rewritten several times, originally appearing as legislation which would have provided cable access to rural, low density areas. As first introduced, if 10 percent of an unwired rural area petitioned the DPUC for cable services, the franchised system had to offer service within six months. This was later changed to 20 percent with a requirement that the rural area had to have a density of 85 homes per mile. In addition, a clause was added that in areas where there were only 30 homes or less per mile, a local phone company could provide service. Ironically, this language was erased with an entirely different amendment inserted. In part, it stated that if a customer wants to hook up a second TV set to his cable, he could do it on his own and with no subsequent charge from the cable system. The state association opposed this on the grounds that if a customer used his own cable and converter, there was the danger of signal leakage. In addition, as a result of lost revenue since the subscriber was not charged a "second outlet" fee, the state stands to lose $280,000 in its share of potential revenues.

H.B. 5501. This bill states that if a cable company does not extend its service in compliance with DPUC regulation, its rate of return can be penalized. This bill is at a relative standstill at present.

H.B 5562. The one is primarily a formality. It states that if there is a holding company that owns the cable system in Connecticut, it must file an annual report with the DPUC.

H.B. 5566. This bill, which later became S. 310, essentially limits franchise durations to 15 years.

In addition, the Connecticut legislature considered adding a sales tax to cable systems. Dorfsman contends that a further tax simply would be too much. "Along with the phone company, cable is the highest taxed outlet in Connecticut, paying 9 percent. All the other utilities pay 5 percent, but

they do not pay a personal property tax."

Delaware

No cable-related bills introduced. Cable is already under regulation by the state.

Florida

Approved: H.B. 1075. Amended measure approved last year to prohibit landlords from denying cable companies access to apartment buildings and mobile home parks as well as condominiums.

Defeated: S. 157. Would make it a first-degree misdemeanor for cable systems to air R- and X-rated programs between 6 a.m. and 10 p.m.

Georgia

Only one bill is pending before the Georgia legislature, which will only affect the city of Covington. U.B. 1471 states that if the cable system serving this city is sold it must first be approved by the city's voters.

Hawaii

The legislature recently closed a session in which no cable-related bills were considered. In the past two sessions, legislators have attempted to institute PUC legislation. But this year such bills were not attempted.

Idaho

Approved: S.1287. Gives the Idaho Public Utilities Commission jurisdiction over pole rates, without the federal formula; signed into law by governor.

S. 1269. Authorizes cable television for occupied state highway right-of ways: signed into law by governor.

Illinois

The current session is for emergency legislation only, so the two bills pending will probably not make it out of committee.

Pending: H.B. 2284. Prohibits landlords from denying access to cable companies when wiring condominiums.

H.B. 2510, S. 1484. Gives the Illinois PUC authority to license and regulate cable systems.

Iowa

There is a proposal pending to add a 3 percent tax on cable and interstate telephone calls. This bill is quickly winning favor from legislators who want to tap some of cable's revenues to help line their rapidly depleting state coffers. However, according to an Iowa cable association member, the lobbying effort against this tax is succeeding in "keeping it at bay. All indications are that it won't pass this year. The legislature wants to adjourn."

He does, however, see the bill returning to Iowa and appearing around the country. "All cable operators are going to have to deal with it as states begin to, or continue to, introduce such a bill."

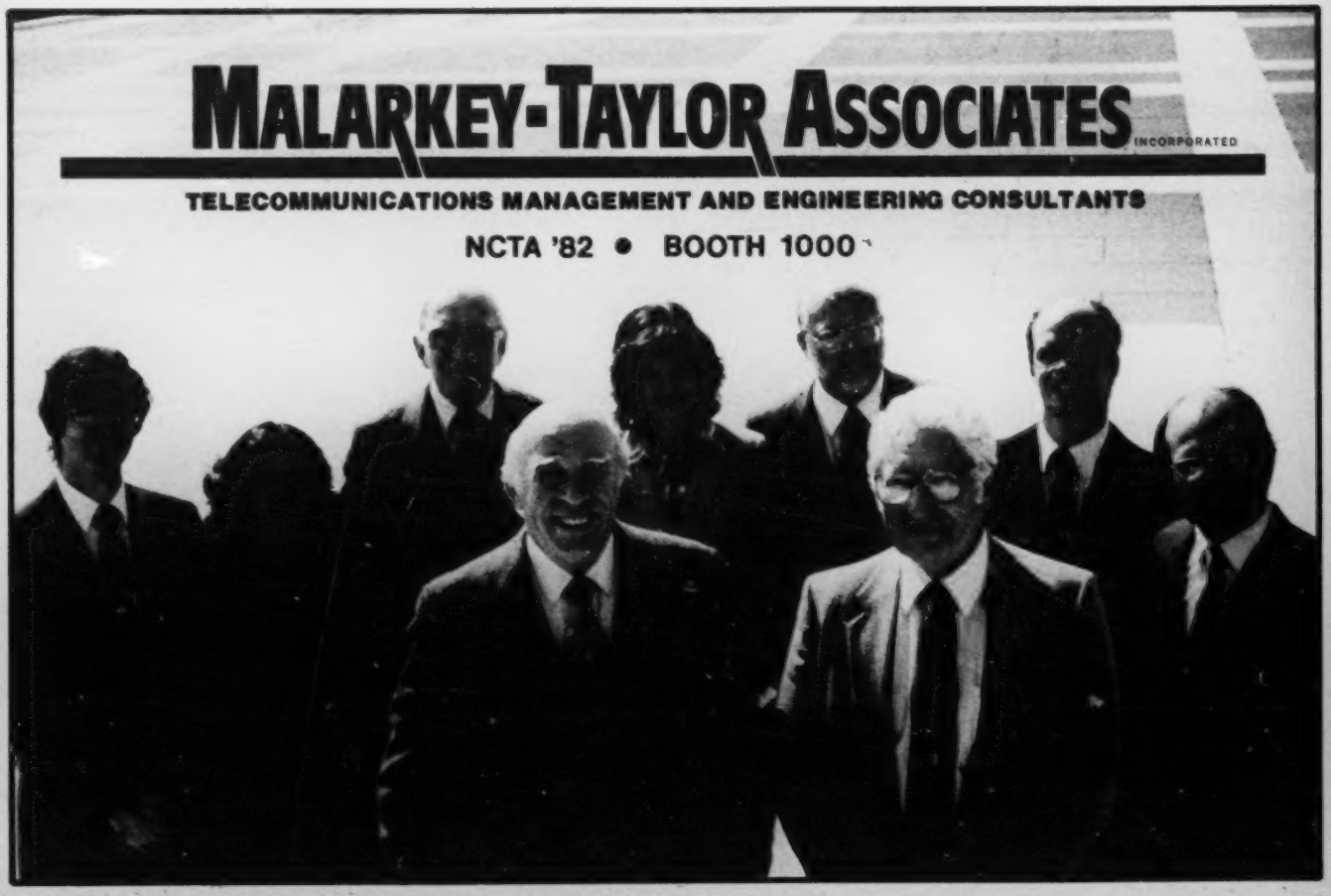
Kansas

Approved: H.B. 2492. Landlord/tenant legislation: passed and expected to be signed by the governor.

Failed: S.B. 759. Would place pole attachment under the jurisdiction of the Kansas Corporation Commission.

Kentucky

The state legislature has adjourned here, and according to cable veteran Patsy Judd, executive director of Kentucky's cable association, "Luckily, the bad ones didn't pass. The legis-



State, regional associations' executive directors and presidents

Alabama and Southern—Otto Miller, executive director, 205/758-2157
Alaska—Bob Gould, president, 907/276-0400
Arizona—Susan Bitter Smith, executive director, 602/257-9338
Arkansas—William Glasscock, executive director, 501/661-7676
California—Spencer Kaitz, executive director, 415/881-0211
Colorado—Glen Pendergraft, president, 303/336-2560
Connecticut—Michael Dorfsman, executive director, 203/793-0650
Florida—Thomas Gilchrist Jr., executive director, 813/688-3787 or 6153
Georgia—Marian Smith, president, 912/354-7531
Hawaii—Lloyd Char, president, 808/847-5971
Idaho—Dave Reynolds, president, 208/375-8288
Illinois/Indiana—Shirley Watson, executive director, 618/249-6263
Iowa—Gary Williams, president, 712/233-2000
Kentucky—Patsy Judd, executive director, 502/864-5352
Louisiana—Fred Dowdy, president, 504/446-8444
Maryland/Delaware—Charles Ross, executive director, 301/332-4088
Michigan—Sandy Applegate, president, 313/235-6112
Mid-America (Kansas/Nebraska)—Rob Marshall, executive director, 913/887-6119
Minnesota—Michael Martin, executive director, 612/861-1166
Mississippi—Charles Haley, president, 601/859-2835
Missouri—Charlie Broomfield, executive director, 816/453-3392
Montana—Walt McCall, president, 406/727-8881
New England—Paul Cianelli, executive director, 603/224-3373
New Jersey—Nancy Becker, executive secretary, 609/394-7477
New Mexico—Eddie Pena, president, 505/287-9451
New York—Dick Alteri, president, 518/463-6676
North Carolina—Wade Hargrove, executive secretary, 919/821-4711
North Dakota—Carl Zeller, president, 701/223-4000
Ohio—Dan Helmick, executive director, 614/461-4014
Oklahoma—Jay Allbaugh, executive director, 405/721-6377
Oregon—Michael Dewey, executive secretary, 503/581-2845
Pacific Northwest—Bill Thompson, president, 509/337-6532
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South Carolina—Robert Scott, president, 803/785-5175
South Dakota—James Oswald, secretary/treasurer, 605/343-3402
Tennessee—Ruth Jean Sharp, executive secretary, 502/651-2872
Texas—Bill Arnold, executive director, 512/474-2082
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West Virginia—Sue Talbott, president, 304/847-2888
Wisconsin—Tom Hanson, executive director, 608/256-5299
Wyoming—Ron Ridgley, president, 307/765-9248

lature was out for money."

Approved: H.B. 611. This bill requires Kentucky cable systems to carry one Kentucky commercial station and one educational station. Under must-carry rules, the systems are supposed to carry these Kentucky stations; however, some systems are not doing so. The imposition of a $100 per-day fine was added to strengthen the bill.

H.B. 807. Called the Property Valuation Administrator's Bill, this bill gives the state revenue department authority to assess cable systems for property tax by the state. According to Judd, this policy has always been in effect, but this bill simply made specific reference to cable.

Failed: H.R. 81. This bill would have requested the Legislative Research Commission to appoint a subcommittee on business organizations and professions to study cable and make a report to the full committee by July 1, 1983.

H.B. 772. This bill was to have provided money for local origination, but did not detail a source of funding. There was no mention of a potential tax on cable.

Louisiana

The session just recently got underway. Several cable measures are expected, though none had been introduced at press time. The legislature has considered a PUC bill for the past several years, but has not approved one.

Maryland

Approved: H.B. 1280. A Boulder bill giving municipalities the authority to grant exclusive or non-exclusive franchises for cable television and impose franchise fees, rates and regulations.

Failed: H.B. 151. Placed chronological deadlines on cable system construction.

H.B. 1329. Ethics legislation, to prevent any cable company that contributed to a county executive or county council candidate from receiving the franchise in Montgomery County.

Massachusetts

Some 30 bills have been introduced in Massachusetts, and the New England Cable Television Association has had its hands full fighting most of them. Amid the stack of bills are measures which would essentially increase government control over cable. Though the bills are still offi-

cially pending, NECTA executive director Paul Cianelli says almost all appear to be dead. The session closes in July.

One unique bill (S. 422) was introduced at the request of the Boston Access Coalition. It would establish a right of free speech for cable television by eliminating editorial control over access channels. NECTA supported the measure, if amended, but it appears dead in committee.

While NECTA has been lobbying against most of the legislation, Cianelli feels state legislatures can do beneficial things for cable. His group will push for a franchise renewal bill next year. "Properly framed state legislation, in the long run, will be in cable's best interest, especially when we get into the issue of renewals," Cianelli said.

Pending: S. 197. Grants county commissioners power to regulate cable rates.

S. 365. Would increase application fees for initial, renewal, transfer or assignment of license based on population; also require 5 percent of gross revenue to be paid to municipality.

S. 370. Requires mandatory access and same level of service for all systems owned by the same company within the state; other measures include free universal service, a permanent citizens' advisory board and privacy rules.

S. 421. Privacy protections.

S. 422. Establishes a right of free speech for cable, eliminating editorial control over access channels.

S. 430. Allows municipalities to collect 3 to 5 percent of gross revenues.

S. 439. Requires cable technicians to be licensed.

S. 443. Installation of cable required within two hours of appointment a company makes with a customer.

H. 157. Burglar alarm licensing required for systems with employees installing or repairing alarms.

H. 835. Cable regulation by a seven-member commission.

H. 983. Guarantees access to condominiums.

H. 1629. CATV cross-ownership with newspaper, periodical, radio and television station.

H. 2401. Establishes a formula for companies to pay only for cost of regulation.

H. 2402. Allows basic service rates to increase by 75 percent of the Consumer Price Index.

H. 2620. Issuing authority comprised of state legislators.

H. 2621. Changes issuing authority from mayors to city councils.

H. 2943. Selection of cable company by referendum.

H. 3023. Prohibits X-rated movies on cable, with fines up to $5,000, and would place noncomplying firms in jeopardy.

H. 3135. Creates a right of renewal in existing licensees.

H. 4114. Deletes newspaper-cable cross-ownership bans.

H. 4435. Lowers theft of service penalties.

H. 5397. Undermines the state cable commission's ability to deregulate rates.

H. 5762. Allows City of Newton to impose a 3 percent or greater fee on cable gross revenues.

Michigan

Approved: S.B. 348. Boulder legislation, granting antitrust immunity to municipalities which have entered into a consortium of more than one county, with a population of one million or more.

Pending: H. 5204. Sets an entertainment tax of 4 percent on cable revenues, as well as other entertainment; may die under this number but resurface in a different form.

S.B. 610. Requires service charge adjustments for interruption of service; in committee.

H.B. 4820. Theft of service penalties; approved in the House, pending in the Senate Judiciary Committee.

Minnesota

Approved: H.F. 2190. Sets a 5 percent sales tax on basic and premium services for cable, MDS, STV and MATV; signed into law by governor.

S.F. 518, H.F. 541. Provide an option for cities with less than 1,000 subscribers in a cable system to opt out of state franchise certification; signed into law by governor.

S.F. 1845, H.F. 612. Landlord/tenant legislation, authorizing the state cable board to set regulations for providing access to multiple dwelling units; signed into law by governor.

Failed: S.F. 364, H.F. 167. Certify the PUC as the regulator of pole attachment rates.

S.F. 850, H.F. 868. An obscenity measure, but it did not specifically mention cable.

Mississippi

Bill Dunlap of the state cable association, said, "We had a very quiet year, and we're very appreciative of that, because sometimes we have things coming up that we don't like." In the past few years, the state has considered PUC legislation, he said.

Failed: H. 73, S. 2012. Theft of services provision.

Missouri

Several controversial measures now appear dead in Missouri, but the Mid-America Cable Television Association believes they may resurface next year. In discussing a sales tax measure, PUC bill and pornography measure, executive director Rob Marshall said, "There seems to be a lot of misinformation out. People read (about cable) in the paper and say, 'Gee, here's a source of revenue' or 'We ought to control this thing.' Then they draft a bill without even consulting representatives of the cable industry."

Pending: H.B. 1218. Criminal penalties for promoting cable pornography.

H.B. 1718. Include 3 percent sales tax on cable service and rental or leasing of all equipment.

H.B. 1486, H.B. 1294. Missouri House Concurrent Resolution No. 4. Classifies cable systems as utilities and places them under the jurisdiction of the Missouri Public Service Commission. H.B. 1294 is a subscriber-privacy measure.

H.B. 1466, H.B. 1772. Places pole attachment under the jurisdiction of the MPSC.

Nebraska

Pending: L.B. 731. Allows public power districts, municipalities and certain municipal agencies to own and operate cable systems.

L.B. 704. Dedicates at least one channel exclusively to educational, instructional, news or public television programs; approved by telecommunications committee; an Omaha senator is attempting to amend the measure to prohibit bingo games over cable.

New Hampshire

No cable legislation has been filed in the state's special session, although a special subscriber tax is reportedly being considered as a footnote to a budget measure, according to the NECTA.

New Jersey

Many cable-related bills are pending during this two-year session, but approval of any is uncertain according to the state cable association. Other state regulatory measures have been proposed by the PUC.

Pending: S. 186. Reduced cable rates for senior citizens.

S. 224, S. 391, A. 96. All restrict the sale, marketing or distribution of burglar and fire alarm systems, including those used with cable, unless approved by the Commissioner of Labor.

S. 387, A. 393, A. 912. Obscenity measures; A. 912 prohibits airing obscene material specifically on cable.

S. 1105. Penalties for theft of service.

S. 1287. Adopts federal standard for pole attachments.

A. 121. Requires CATV systems to maintain a 24-hour repair service and service phone line.

A. 123. Prohibits cable companies from imposing charges for late bill payment by subscribers.

A. 270. Prohibits the state or any political subdivision from owning or operating a cable television system.

A. 272, A. 912. Landlord tenant legislation for access to apartments, condominiums, co-ops and mobile home parks.

New Mexico

No cable bills during this session.

New York

Although 30 bills are pending before the state legislature, the New York Cable Television Association is paying close attention to approximately six major bills, four of which have been simultaneously introduced in the House and Senate. The remaining bills are redundant, according to one association member, dealing primarily with deposits on converters, modifications by cable systems of blackouts and the deregulation of enhanced services. Pole attachment rates were taken over by the state following a decision in 1978 which established jurisdiction. Presently, the public service commission is protesting the decision which may end up in court.

In addition, the Government Operations Committee of the New York Commission of Cable, at the urging of the state association, has issued a Notice of Proposed Rule making to examine the need for developing privacy guidelines beyond the current provisions of New York state law. The inquiry into privacy is now in effect. As a result of this activity, the New York attorney general has introduced a consumer privacy bill which states that cable companies must obtain permission from the subscriber before monitoring household or viewing patterns, plus obtain written permission from a subscriber before collecting personal information except as necessary in providing cable service. Furthermore, applicants for cable service must be provided with a statement of company policy regarding consumer privacy. This bill has drawn a great deal of attention from the legislature, said the association member.

Pending: A. 9356. This bill would prohibit municipalities from censoring cable program content except where it is found to be detrimental to the moral well-being of children or obscene by standards in New York penal law.

A. 8761. (This and the following three bills are also referred to as S. 11049-11052.) The first bill in what has been called a legislative packet deemed favorable to cable places a 5 percent cap on franchise fees. This would guarantee franchise fee limitation in the event the FCC abolishes its current 3-5 percent ceiling.

A. 8762. This bill is a basic rate deregulation proposal which requires that competitive alternatives exist before rates can be deregulated. Such deregulation will take place in areas where a combination of three over-the-air signals compete with cable, two of which can be traditional over-the-air broadcast signals. Also included are PBS channels, STV outlets and low power stations.

A. 8763. This bill curtails some of the power of the New York Cable Commission, speeding up the process in deciding franchise applications to within 70 days. It also deletes the commission's authority to mandate access channels and interconnect systems.

A. 8764. This bill also refocuses the direction of the commission away from cable operators to focus on public interest concerns of cable subscribers' health and safety. It emphasizes consumer protection primarily but prohibits the commission from mandating technological standards which exceed existing federal standards. In addition, master antenna television companies would no longer be required to obtain a franchise from the city.

North Carolina

While nothing is pending, the pole attachment issue may reappear in June. This proposal would grant the Public Utilities Commission jurisdiction over attachment rates and potential disputes. In addition, there is some discussion that legislation dealing with the Boulder situation may appear, according to Wade Hargrove, executive secretary for the state association. Hargrove said the association recently held a state regulation planning conference in which the top management of local and national cable companies met to discuss outlining the issues affecting cable regulation and potential problems. "Bills affecting cable are moving much faster," said Hargrove, "so we have to be prepared in terms of lobbying."

North Dakota

Nothing has been introduced this session regarding cable, but the state association said some type of Boulder legislation is expected.

Ohio

Dan Helmick, executive director of the Ohio Cable Television Association, said the state is looking for new revenue sources and is eyeing cable. "Cable is viewed as a really wealthy industry, as a luxury item. People say it's discretionary that they (operators) don't get charged a sales tax. And it occurs as the state's financial straits get more severe," Helmick said.

Approved: H.B. 538. A construction measure concerning underground digging, which requires cable companies to mark their lines.

Pending: H.B. 223, H.B. 694, S.B. 530. Tax measures which the state association is keeping tabs on, in hopes that a sales tax is not attached to cable services.

Oklahoma

Pending: S.B. 16. Authorizes the Oklahoma Corporation Commission to regulate subscriber rates and pole attachments and require a system of registration and certification.

Pennsylvania

A package of seven bills was introduced in March 1981. All of them are now being considered, but according to Stanley Singer of Pennsylvania's Cable TV Association, "nothing has happened." The bills have become relatively outdated as a result of the Boulder decision. The package is labeled S.B. 761-767 and essentially grants franchising powers to various types of local government. A theft-of-service clause has also been included as S.B. 767. Presently, PCTA is trying to get the legislature to approve a law that would encompass the Boulder decision (see sidebar on "The Boulder influence") and get Pennsylvania to deregulate franchise fee rates and develop a universal method to handle both franchising and refranchising.

Rhode Island

In Rhode Island, construction of cable systems is just getting underway. The new awareness of the industry has led a number of legislators to introduce regulatory and revenue-producing measures. As NECTA's Paul Cianelli said, "Suddenly cable is a front-page story. A lot of things are coming from municipalities and the League of Cities. They want a piece of the action, a piece of the revenues."

Pending: H. 5941, S. 0501. Establish regulations for CATV systems.

S. 2347. Requires CATV installers to be licensed by DPUC.

H. 6173. Provides for termination and renewal of certificates.

H. 6176. Allows municipalities to assess a fee on community CATV.

H. 6179. Creates 21-member legislative committee to promote community access to CATV.

H. 6182. Sets a 15-year limit on CATV certificates.

S. 0675. Creates special legislative commission on establishing CATV authority.

S. 0686. Creates special senate committee on rate schedules and installation charges.

S. 2145. Allows administrators to bill companies for costs of franchise investigations.

South Carolina

Nothing is pending here, although there is still concern about possible pole attachment regulation by the Public Service Commission, similar to that in neighboring North Carolina. So far, however, the state cable association has had a successful track record in lobbying against such proposals.

South Dakota

Only one bill was passed during the legislative session, but it was stridently opposed by the state cable association. H.B. 1283 was approved and allows a municipality to own a cable system; however, an amendment was attached which lessened the effect. The amendment said the municipality could own the cable system if it also owned a power or phone company.

Tennessee

The cable association did not follow up on the bill designed to eliminate the privilege tax, which charged systems on top of standard franchise fees. However, the association is about to bring suit against the state utility companies in regard to the continual increases of pole attachment rates. Much of the pole ownership in the state is by municipalities or cooperatives, which are presently charging cable operators as much as $10 per pole in rental rates. A spokesman for the association stated that the lawsuit would attempt to set some sort of uniform pole attachment rate, such as the adoption of the federal formula to set a standard pole rate. The grievance would be against all municipal or co-op pole owners and would take the form of individual lawsuits. The spokesman added that the route to take may be to subject the owners to federal antitrust laws.

Utah

After a federal judge last November enjoined the Utah-approved obscenity bill banning indecent material on cable television, a similar bill has reappeared this year in the form of H.B. 63. This bill is called the Child Protection Act, which makes it a misdemeanor to show R-rated, or "indecent, pornographic material" on cable, as well as MDS service and local broadcast networks. A spokesman for the Utah cable association said he expects such

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a bill will continue to appear owing to the pressure of many of the state's residents to get such language passed. A public hearing is scheduled to decide whether it should remain as a bill or go up as a referendum.

Vermont

Failed: S. 271. Requires cable companies to obtain franchises from a city or town as well as a certificate of public good from the PBS; system would have to pay a franchise fee of 3 to 5 percent.

Virginia

Approved: S. 425. Allows local government to grant exclusive cable television franchises.

H. 713. A landlord/tenant measure, prohibiting landlords from denying cable companies access to rental units; also prohibits landlords from charging extra fees or increasing rent for allowing cable access.

Washington

A bill exempting cable systems from a per set tax was approved, while a more controversial one dealing with a municipal buy-back provision failed. This bill would have required a specifically defined city from purchasing or operating a cable system if a privately owned operation were available.

West Virginia

Three different bills were introduced during this legislative session, each attempting to make cable a public utility. None made it out of committee. The three bills included one which was introduced by Governor Jay Rockefeller, which according to Sue Talbott, president of the state cable association, took everyone "by surprise." At this point, although the bill failed, Talbott said Rockefeller is not convinced that cable shouldn't be regarded as a public utility. "They may hold a special session later this year, but I would hope that cable is not a consideration then," Talbott said.

Wisconsin

Only one piece of legislation affecting cable has been approved. A.B. 757, a privacy bill, states that if a cable system is interactive, upon request of a subscriber, the converter can be fitted with a device that will make it one-way and non-interactive.

The legislature has adjourned at this time with nothing before it but a budget repair bill. However, Milwaukee has expressed its concern for the development of a "Boulder type" bill, which may be amended to the budget bill should the necessity arise.

Wyoming

While no legislation is pending here, there is a close watch on Utah's obscenity bill.

No session

The following states did not hold legislative sessions: Arkansas, Maine, Montana, Nevada, Oregon and Texas.

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CableVision

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On June 30, America will look at health in a whole new way.

Cable Health Network

May 10, 1982

On being your own best customer

Cable buys on cable in '82 will surpass industry's total time sales in '81

By Jean Bergantini Grillo

Is the cable industry its own best advertising customer? Based on a recent *CableVision Plus* survey, the answer is, "very nearly." While the Cable Advertising Board trumpets the ever-growing amounts spent by outsiders to sell their products on cable (1982 estimates: $225 million), spending by *insiders*—dollars from the cable industry spent on the cable industry—gallops toward those amounts. And the internal windfall is likely to grow even larger.

Pay cable buys cable

(real dollars and equivalent dollars)

Pay services	Total ad budgets	Cable buys
HBO/Cinemax	$24-$26 million	SPN, ESPN, WTBS, CNN I, II, USA, CBS Cable Total: $1.5 Million
Showtime	$4 million plus	CNN, WTBS, USA, ESPN, WOR Total: $2.0 Million *
TMC	$8 million *	ESPN, CNN I, II, USA, WTBS, MTV, Nickelodeon Total: not broken out from other WASEC networks
Playboy/ Escapade, Bravo	$175,000	none
Entertainment Channel	not available	
Spotlight	not available	

*CV Plus estimate.

Cable buys cable

(real dollars and equivalent dollars)

Basic networks	Cable buys	Cable swaps
ARTS/Daytime	no buys	no
BET	no buys	no
CBS Cable	no buys	no
CNN I, II	ESPN	WTBS
WTBS	CNN I, II	CNN I, II
ESPN	CNN I, II, WTBS	MTV, Daytime
MSN	no buys	no
SNC	no buys	no
SPN	no buys	no
USA	NA	no
WASEC (MTV/Nick)	ESPN, CNN I, II, USA, TBS	Yes (same)
Total:	$29,388,000	$75,000,000 (estimated equivalent)

Grand Total: $104,388,000 (cable buys, swaps)

Total Adv. Budget: $110,385,000 (est.) (including $11,947,000 in print media and radio buys)

By *CableVision Plus* calculations, over $142 million in those buys and swaps finds its way out of the pockets of cable networks and into the pockets of other cable networks. Considering that the total cable ad revenues for 1981 were $117 million, it is clear that the impact of inter-cable spending is a powerful one.

The numbers, large as they are, remain incomplete. While most of the major basic and pay networks cooperated in this survey, some were more willing than others to open their books and reveal otherwise privileged budget breakdowns.

Although pay cable network marketing heads did go on the record, most of the highly competitive, ad-supported basic cable networks requested confidentiality—not just in cable buys and co-ops, but for overall budget as well.

The following networks are covered in the basic cable half of the survey: Hearst/ABC's ARTS and Daytime, Black Entertainment Network (BET), CBS Cable, CNN and CNN 2, WTBS, ESPN, Modern Satellite Network (MSN), Satellite Programming Network (SPN), USA Cable Network, Group W and ABC's joint venture, Satellite News Channel, and WASEC (MTV: Music Television and Nickelodeon).

Combined, these networks have an ongoing print ad budget totaling over $11 million dollars to promote to the consumer via national magazines, *TV Guide*, other cable guides and the local press. Individual print budgets run from a low of $10,000 to a high of $4 million (recently announced by Turner Broadcasting as part of a major campaign promoting CNN in *Time*, *Newsweek* and *U.S. News and World Report*).

In terms of dollars spent to promote themselves within the cable industry, however, the range is much broader.

Of the basic cable networks making cable buys (CNN, CNN 2, ESPN, MTV, Nickelodeon and WTBS), budget breakdowns ranged from a low of $260,000 to a high of $20 million.

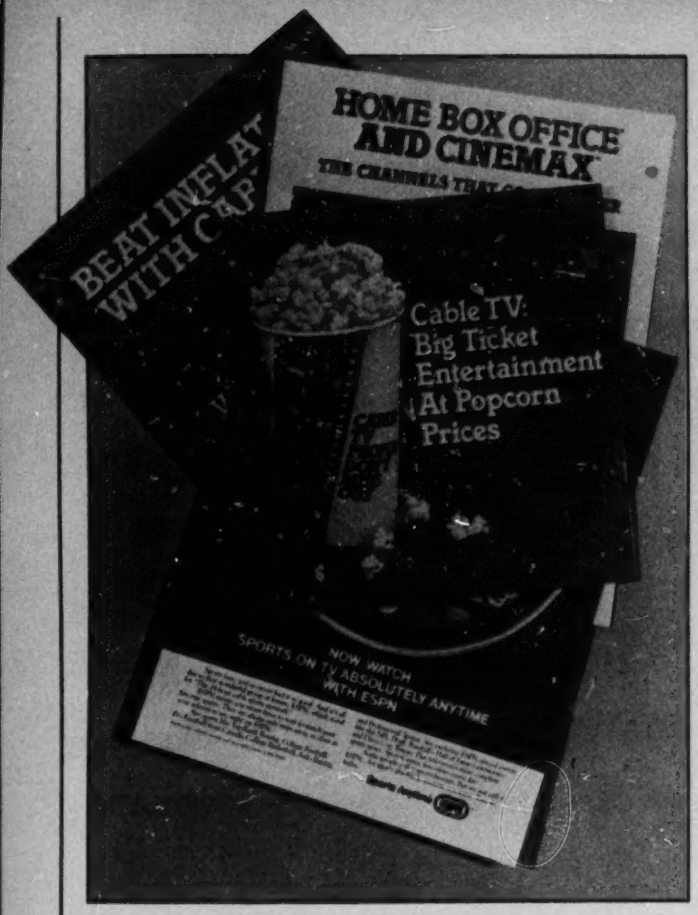
In total, these networks are making inter-cable buys amounting to over $29 million, nearly triple what these networks spend to promote themselves on other media.

Those figures are the "real" currency, the only stuff that counts, according to those cable networks who don't (or won't) engage in time-swapping. For those who do trade advertising time, however, the total dollar value is heftier, estimated by the cable operators involved as over $75 million.

The cross-promotion deal between ESPN and WASEC's The Movie Channel, MTV: Music Television and Nickelodeon, for example, is worth at least $18 million, an ESPN source maintains.

The clear swap king, however, has to be Ted Turner. According to Paul Bissonette, vice president of advertising and promotion for Turner Broadcasting's CNN and CNN 2 and WTBS, much of Turner Broadcasting's announced $80 million budget is simply the equivalent of what it would cost if the three networks had to pay for time buys on siblings. "Fifty million dollars of WTBS airtime alone is used to promote CNN," Bissonette told *CableVision Plus*. "Another $7 million is used to tout CNN2 on the superstation."

Once Ted Turner's huge CNN/WTBS joint promotional effort is separated from the basic cable pack, none of the basic cable networks have budgets that come close to what Turner is willing to spend. His $80 million in real and swap value contrasts with the average basic cable network budget of between $2 and $4 million. Among the pay services, however, purse strings loosen a great deal.


HOME BOX OFFICE AND CINEMAX
Cable TV: Big Ticket Entertainment At Popcorn Prices
NOW WATCH SPORTS ON TV ABSOLUTELY ANYTIME WITH ESPN

'We let the local operator package his service according to his needs by passing along the savings gained on not doing such a massive promotion nationwide.'

Barbara Kirbach
vp, advertising
Spotlight

Pay buys

The pay side of *CV Plus*' survey covered HBO/Cinemax, WASEC, Showtime, Playboy/Escapade, Bravo and Spotlight. Showtime would not release any dollar data either on the record or confidentially; therefore, all figures used for Showtime are estimates made by industry sources familiar with the network's past spending. Figures for The Entertainment Channel and Spotlight were also unavailable. In the case of The Entertainment Channel, no advertising budget had been determined prior to its launch, according to David Levine of Levine, Huntley and Papler, advertising agency for TEC. Spotlight, according to its advertising vice president, Barbara Kirbach, has "no national media budget *per se*. We will only create what's needed for a specific Spotlight member, if asked." Spotlight's six MSO equity partners do have a joint radio and broadcast account for spot advertising but Kirbach would not release the budget. (She also added that Spotlight makes no cable buys.)

In real dollars spent, Home Box Office is the easy leader. Its ad agency commands a total budget of over $25 million to promote both HBO and Cinemax. Warner-Amex follows with between $15 and $17 million its agencies divide among The Movie Channel (around $8 million), MTV (around $6 million) and Nickelodeon (around $3 million). Showtime comes in third with an average total advertising budget of about $4 million-plus, according to insiders familiar with the network's spending.

Each of the top four pay services (HBO, Showtime, The Movie Channel and Cinemax) spends several millions for time on basic cable networks. Currently, each of the four pay services advertises on ESPN, USA Cable Network, CNN and WTBS, with HBO/Cinemax also buying spots on SPN and CBS Cable. (Showtime also adds superstation WOR-TV in New York to its ad mix.)

Because WASEC has its own basic cable networks and can swap rather than buy time, Bob McGroarty, WASEC vice president of marketing, was able to put a total dollar value for "in-house cable buys and swaps" at $25 to $40 million." McGroarty adds that HBO/Cinemax would do the same "if it had cable networks to swap with."

Bob Bedell, HBO's vice president for marketing, hoots at the mere mention of "dollar values for swaps." Home Box Office and Cinemax pay only "real" dollars into the cable community and he sat down one day recently to lay out the complete multi-pay and basic cable marketing program.

According to Bedell, HBO budgets between $14 and $15 million for total advertising (print, broadcast and cable), with Cinemax spending another $6 to $7 million.

"The HBO perspective," Bedell says, "is to spend money in the national media for awareness generation

and to excite consumer demand." One quarter of HBO's $15 million budget goes to national vehicles: print ads in *TV Guide* and *People* (in the Time Inc. publication, HBO gets "house rates," or half-price), and network television spots on CBS and NBC. For cable spots on eight basic cable networks, HBO spends $1.5 million.

While only HBO has the inclination (and dollars) to advertise on the two national broadcast networks that will accept pay cable spots, all of the pay services are quick to underscore that advertising on their sibling cable networks involves more than money.

WASEC's McGroarty, while not ruling out broadcast advertising in the future, said, "Just like we believe in specialized services for specific audiences, we advertise on cable networks because it reaches our audience." Another Warner official succinctly supported the reasoning that sees buying on a cable network preferable to broadcast: "because the people who have cable have cable."

Three quarters of HBO's budget goes to local advertising campaigns, "the keystone" of its marketing strategy, according to Bedell. It is here that HBO (and Cinemax) spend a combined total of $16 million in cable co-op materials available to the operator to promote the two services.

Eleven million of those dollars go into HBO's decision to print the name, address and phone number of every one of its local affiliates in the newspaper ads running in over 700 local papers nationwide, according to Bedell. "We reach over 85 percent of all U.S. households with those ads," Bedell says.

Another $2 million-plus is spent on local billboards which also promote HBO and Cinemax. Billboard material is provided free to the local operator who pays for the rental.

The network also pays, for each HBO/Cinemax affiliate, the production costs of all monthly TV spots (broadcast and cable), all monthly newspaper and magazine ads (HBO buys pages in all 104 local *TV Guides*) and all local radio spots and scripts.

Totals and trinkets

None of the amounts specified above takes into account all the ash trays, pens, banners, coffee mugs, bumper stickers and tee-shirts every pay service dispenses. According to marketing officials at HBO, Showtime and WASEC, these are "break-even" items: what the services pay for them is covered by what the operators are charged.

Even without factoring in those costs, however, HBO/Cinemax, Showtime, WASEC (through all its networks) and Playboy/Escapade pour over $38 million dollars into the cable industry through cable buys. Although the figure is inflated by "cash value" for various sibling and other network swaps, it is a potent indication of inter-cable network largesse.

(Of Turner Broadcasting's announced $80 million promotion budget) '$50 million of WTBS airtime alone is used to promote CNN, (and) another $7 million is used to tout CNN2 on the superstation.'

Paul Bissonette
vp, advertising and promotion
Turner Broadcasting

Ad-supported nets:

Assessing the vitality of commercial cable

No one should hold his breath waiting for any of the major ad-supported cable networks to disappear into thin air in the next few months (unless he likes the shade of blue his skin will turn). But, according to the most knowledgable observers of the vitality and viability of ad-supported cable, it's very possible—and very expected—that at least one of today's strongest and most-watched quartets of basic cable networks could soon undergo such drastic changes that it will seem as if it had disappeared.

It's no longer a question of whether there will be failures in basic cable. It's a question of who, when, and where. In fact, there have already been some small failures. Witness the American Educational Television Network and the near demise of the Christian Media Network. No giants, these, but giants will fall, too. While today ESPN, CNN, WTBS and USA are synonymous with cable's advertising promise, rumblings in the wings confirm that even some of these now-hallowed names will not last as fully ad-supported vehicles.

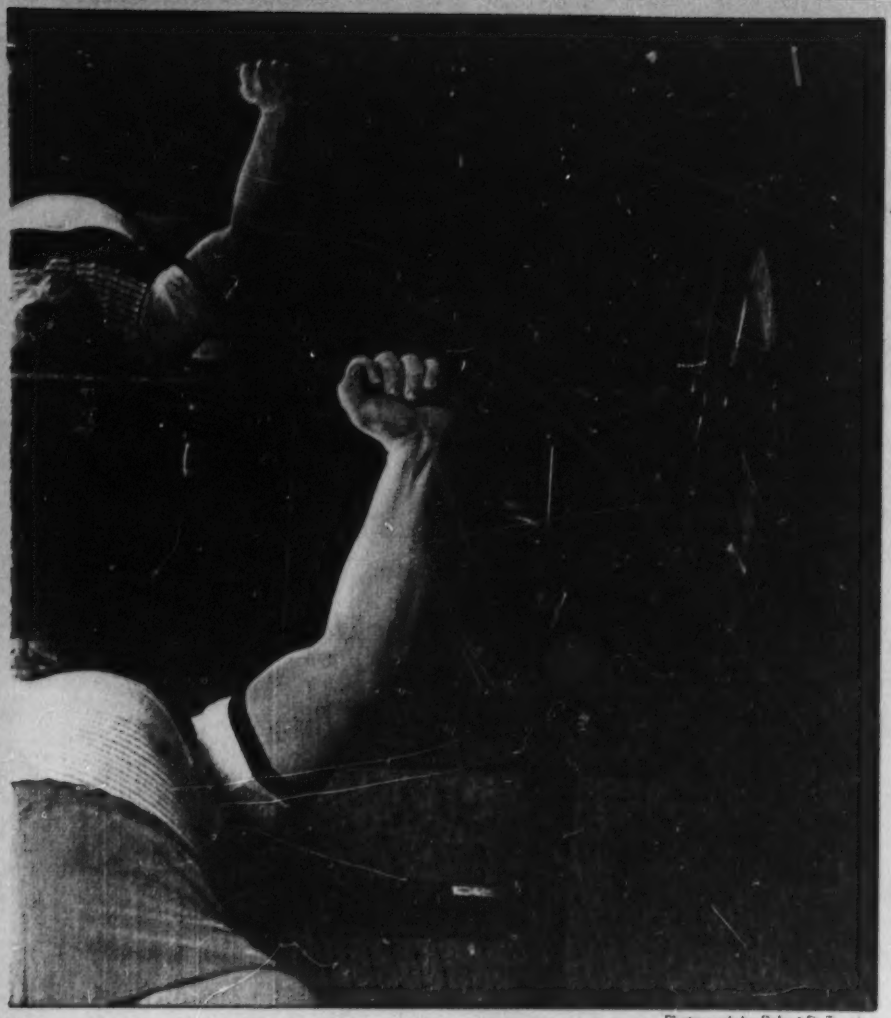
The signs are all around. Many networks have already decided to move to sources other than advertising for support, particularly pay and pay-per-view ventures.

In the last part of 1981, CBS seriously toyed with the idea of switching CBS Cable from an ad-supported basic service to a pay service. Then Fox came along and that idea was shelved in favor of other pay services from the new joint venture. Getty Oil chairman Sidney Petersen told *CableVision Plus* (4/19/82, p. 14) that Getty may introduce a monthly subscription sports-plus network by the end of this year, and ESPN's arrangement with ABC calls for pay-per-view events at least once a month. In fact, Getty's Stuart Evey stated in the same *CableVision* interview that "pay TV is the only way—the *only* way—some of these things (sports events) can survive."

The purchase of USA Cable Network by Time, Inc., Paramount and MCA was regarded by observers as its salvation as a basic service. But the new owners have deliberately prompted expectation of pay-per-view events on USA. The recently revamped program schedule is causing worries among some advertising executives and even some cable operators. Nor is the situation helped by fierce competition predicted from newcomers Cable Health Network, Hearst/ABC's Daytime (which is apparently evaluating a lawsuit over USA's choice of the same label for its women's segment) and from older competitors WTBS and ESPN for sports rights.

"I don't know what USA is going to be," says Paul Schonewolf, General Electric Cable vice president of marketing. "I don't want them to become Cream of Wheat."

Among these four networks—USA, ESPN, CNN and WTBS—only the ones operated by Ted Turner are currently perceived to have weathered the first critical storm of opinion on both Madison Avenue and Wall Street. But as captain Turner knows, no ship is safe even when it's safely docked at shore, and especially if the boat at the next dock is owned by as confident a sailor as Westinghouse.



Photograph by Robert D. Tonsing

sinew and flab

By David Stoller

A question of numbers

In some respects it's really a question of numbers. Channel capacity, for the near future, is limited. So is the availability, at reasonable prices, of differentiated programming of quality. Also, there are only so many hours in any day, and only so many media vehicles any one, or any hundred and one, advertisers will or can buy.

"NBC, CBS and ABC have 378 hours a week of programming. CNN and WTBS combined have a total of 336 hours a week. There's just so much money to distribute," explains Ron Kaatz, J. Walter Thompson senior vice president of media resources. "All of a sudden, one day, someone will fold. It's bound to be."

The fight of numbers is being waged on several battle grounds: size of both national and local advertising revenues, access to systems and subscribers, and measurement of audience.

The advertising sales of ESPN, CNN, WTBS and USA hovers around 40 to 50 percent of national inventory, as gauged by the cable data from Broadcast Advertisers Report (BAR), which has been monitoring all four networks on a daily basis since the beginning of 1982, and is now issuing weekly, monthly and quarterly reports.

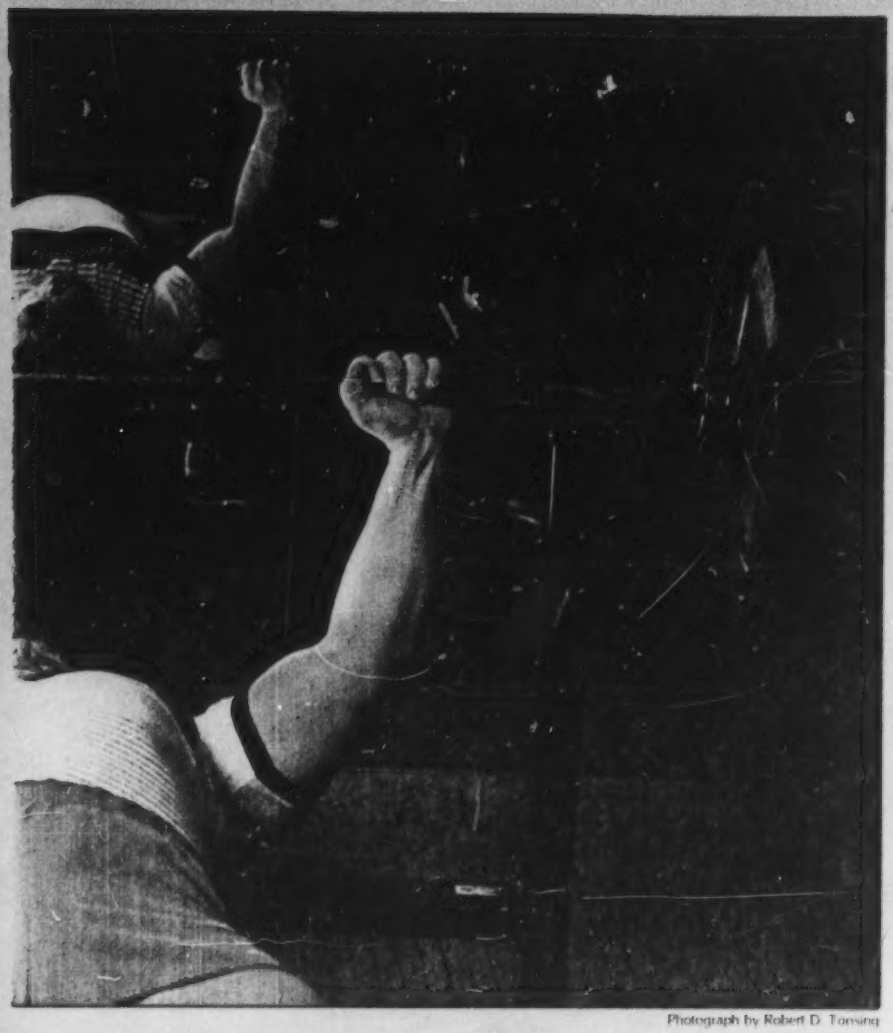
Those MSOs most actively selling local network availabilities (and there are few of them), say that both ESPN and CNN are their best sellers, and that USA Cable's sports programming also sells well to local advertisers. But beyond that, the picture blurs, and operators report that generally they do not do as well selling daytime women's programming or the cultural program services.

"We're not hanging our hat on the ability to sell locally. None of our systems count on advertising as a tool for survival," says Storer vice president of marketing, Doug Wenger.

Wenger's point is noted by the program services. They realize local advertising is an adjunct business to most operators now. Says Gary Koester, vice president of advertising sales for Warner Amex Satellite Entertainment, which sells 72 hours of programming a day on MTV, CNN and CNN2, "The value of a service like MTV to the operators is not in advertising but in getting subscriber lift, and second set and FM hookups."

All four networks have a comfortable cushion of subscribers and affiliates. Each serves over 10 million homes, and more than 1,000 affiliates. WTBS is the strongest of the four in subscriber and affiliate depth, with 20,375,000 subscribers on 4,052 cable systems, while USA Cable Network is last in both categories, with 10,500,000 subscribers in 1,800 systems. Second place ESPN has 15,382,371 subscribers and 3,545 affiliates. CNN has 11,815,620 subscribers in 2,142 systems. (*CV*, 4/26/82 p. 248).

All four networks predict that 1982 will be a great year for them. Each says it can survive and thrive as an ad-supported network (See chart). According to Gerry Hogan, Turner Broadcasting vice president of advertising sales, CNN, which did $17 million in advertising in 1981, will do $36 million in 1982 and will turn a profit this year. WTBS, already in the black, will nearly double its ad revenue in 1982.



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Gerry Hogan
vp, advertising sales
Turner Broadcasting

according to Hogan, to $100 million from 1981's $55 million.

Jeff Lawenda, USA Cable Network vice president of advertising, says his network hit $8 million in ad revenues in 1981, but expects to get $20 million in 1982. "We can survive as an ad-supported network and will be in the black within the near future," Lawenda says.

ESPN will not release exact figures on its 1982 projections, but Michael Presbrey, ESPN vice president of advertising sales, says the network hasn't missed a month in meeting its projections so far this year, and according to the *CableVision* interview with Getty Oil executives, ESPN had achieved 61 percent of this year's projected ad revenues by March. "We're expecting to make or exceed our budget in 1982," Presbrey adds.

Even if ESPN does succeed in that, Presbrey admits that it will still leave the network in a "loss position."

The issue of audience measurement is still the biggest hurdle between these networks, CBS Cable, Hearst/ABC's ARTS, the new Daytime entry and break even.

"These 10 million-plus-home networks will survive, assuming their numbers hold up," says Jordan, Case and McGrath vice president of media and programming, Ned Gelband.

Gelband says that WTBS has done "frighteningly well" and vindicated its early supporters by going on the Nielsen meters a year ago. WTBS has scored as high as a 1.6 rating nationally, and 6.8 in its own universe during 6 p.m. to 7 p.m. "fringe" time. Both CNN and USA have announced their intention to use the Nielsen meters when they are eligible. (CNN will be eligible in May.) But ESPN has so far opted not to be metered, a move that has caused a lot of head shaking on Madison Avenue, and probably more than one headache at ESPN.

ESPN says audience numbers on specific programs will be more helpful to its advertisers than the ratings Nielsen now provides. But many agency observers believe the decision not to go on the meters telegraphs poor overall numbers for ESPN. Dana Redmond, ESPN vice president of research, disputes this. "Our numbers are pretty good," he says.

Redmond concedes that not being measured now may have done a "disservice" to ESPN, but he says that the network wants to put more qualitative data into the hands of advertisers and agencies. "We need program ratings for help in pricing and scheduling, because we don't run the same program Monday nights at 8 p.m. We're working with Nielsen to devise a format to get individual ratings for individual programs. We don't want to sell on average quarter hour CPMs," Redmond explains.

The issue Redmond raises is already a perennial: What numbers are relevant to cable? Radio broadcasters are now questioning the relevance of traditional ratings in today's fragmented market and are pushing for more qualitative research for the networks and independent stations, and some cable operators endorse the ESPN concept of program and cumulative ratings.

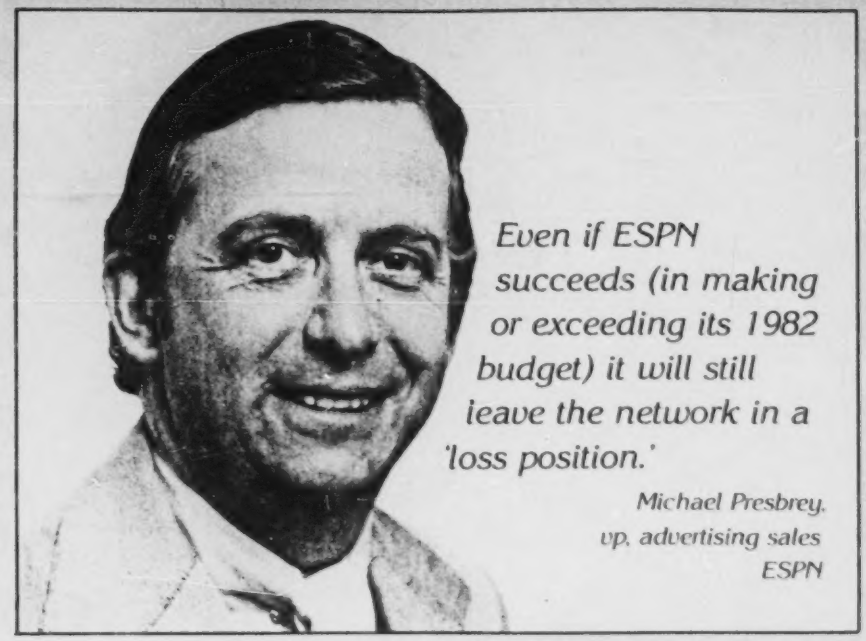
"It's no question we all need research, but we don't want the medium to be defined in traditional terms," says ATC's director of corporate development, John Walkmyer. Walkmyer is one who calls for cumulative ratings for cable, saying it's simply "inappropriate" for cable to be measured with quarter-hour broadcast ratings.

Tom McKinney, vice president of advertising sales, Group W Cable, concurs. "It's a mistake to fall into the Arbitron and Nielsen bag. It doesn't give you the qualitative data you need. To say 50 million people watch *Hill Street Blues* is not to say those are the people an advertiser needs. Mercedes Benz, for example, is better off on CBS Cable—those

Ad revenues 1981 and 1982
ESPN, CNN, WTBS, USA

	Revenues 1981 (in millions)	Projected Revenue 1982 (in millions)
ESPN	$18*	NA
CNN	$17	$36
WTBS	$55	$100
USA	$8	$20

**CableVision Plus* estimate



Even if ESPN succeeds (in making or exceeding its 1982 budget) it will still leave the network in a 'loss position.'

Michael Presbrey,
vp, advertising sales
ESPN

viewers are more likely to afford and to buy that product. A qualitative sale has more meaning."

Operators like McKinney and Walkmyer find the Madison Avenue numbers game not wholly on target. While they are interested and supportive of services like WTBS, CNN and others going on the meters if they feel they must, they are working much harder in gathering cable viewing habits and product-usage information, the kinds of numbers Madison Avenue says it also seeks, but which remain secondary to them in the current climate.

Agencies say they need the metered measurements to help justify the often premium prices they pay for cable time. The clang of sabre-rattling is explained by quoting clients' concerns over whether their money is being well spent.

"These networks are trying to sell intangibles and they refuse to show data," says Gabe Samuels, vice president of media research at J. Walter Thompson. "I'm afraid if I don't see some solid research by the end of 1982, there will be a leveling off of interest," Samuels explains, adding, "Unless I can show a cost analysis that the money a client spent achieved his objective, the client will not accept next year's plan."

Like Samuels, Doyle Dane Bernbach vice president of video technology/programming, W.S. "Jay" James, doesn't buy the argument that ESPN can be bought without a number. "Some clients are not as responsive to the argument about program environment. They want efficiencies. We could move away from ESPN to USA if they aren't on the meters in six months," cautions James.

John Gudelanis, Bozell and Jacobs vice president and associate media director, takes the audience measurement issue to a higher plane. Gudelanis says that the unit cost on some cable networks is approaching broadcast network levels and delivering significantly fewer numbers.

"Where you could buy cable networks for $100 per 30 second spot two years ago, it's now $2,500 per 30, and there are alternatives in over-the-air television or syndicated properties which deliver 60 percent to 70 percent of the television households."

For example, Gudelanis says, citing a recent study, the *CBS Morning News* costs less than prime time CNN, pulling in a 2½ rating with two million homes, while CNN has to generate a 17 rating in its own universe to garner the same number of households.

But there are some agencies that are not in as big a rush as others to get numbers they can immediately and neatly fit into their planning and buying methods. Says Beverly O'Malley, vice president and associate media director at Dancer, Fitzgerald, Sample, "There's a lot more research out there than some people want to see. We do want numbers, but we are getting enough directional research to say we're not crazy. We do need to know if the price is worth the premium, but we also want to establish franchises for our products."

Because out-of-pocket costs are still lower on cable than on broadcast, and because many cable networks have provided advertisers with some unique franchise and sponsorship opportunities (translation: long, long contracts at $250 to $350 per 30-second spot), most agencies and advertisers can still justify their cable expenditures today without the need for rating points. But the issue raised by John Gudelanis is one cable networks will hear more often and with more insistence as costs rise.

According to entertainment analyst Anthony Hoffman of A.G. Becker, some advertisers are still buying cable on faith, on the premise of keeping the medium alive and keeping broadcast prices in line. But when cable services begin to be measured, advertisers will be much

more reluctant to pay any premium for cable time.

The message: Without good numbers, some networks are doomed.

Who, when, how

J. Walter Thompson's Ron Kaatz subscribes to the theory that only two types of program services will survive: mass entertainment networks like WTBS and services that can deliver and fit unique demographics.

But those broad definitions can include nearly every existing or announced cable service, and as Kaatz himself says, not everyone is going to make it.

That leaves the questions of who, when, and how. An ad-supported network, no matter how large or how targeted, needs an audience which, by its size, by its definition, or both, can be documented as efficient against other media buys, Kaatz argues.

"You don't have a viable advertising medium unless the programming generates audiences," says A.G. Becker's Hoffman, stating the obvious. He believes that the most appealing programming types, such as sports, will go the way movies went—to pay—and take the audiences with them. "We're looking at a business without the audience size to justify the revenues now, with the exception of WTBS, CNN, ESPN and possibly USA," Hoffman says, adding that being there first and having access to many subscribers and systems is a temporary guarantee of viability.

It's hard for an operator to pry CNN, USA, ESPN or WTBS away from subscribers today, Hoffman observes, but that may not always be the case. With an increasing number of pay services becoming available, any one that doesn't pay its way will be kicked off. GE Cable's Paul Schonewolf agrees: "If you don't have a clearly defined niche, you will be gone," he warns.

Hoffman and others suggest that what is really keeping ESPN and USA, for example, afloat is the support they are receiving from their corporate parents. For ABC, Westinghouse or Time Inc. to publicly admit that their ad-supported services are not working, after so much hoopla about their cable involvement, is too embarrassing. "They will sit there for three or four more years," Hoffman conjectures, before either turning off the lights altogether or seeking an alternative source of revenue, like pay.

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Hoffman has some predictions about what might happen to both ESPN and USA that harshly counter what the two networks themselves say.

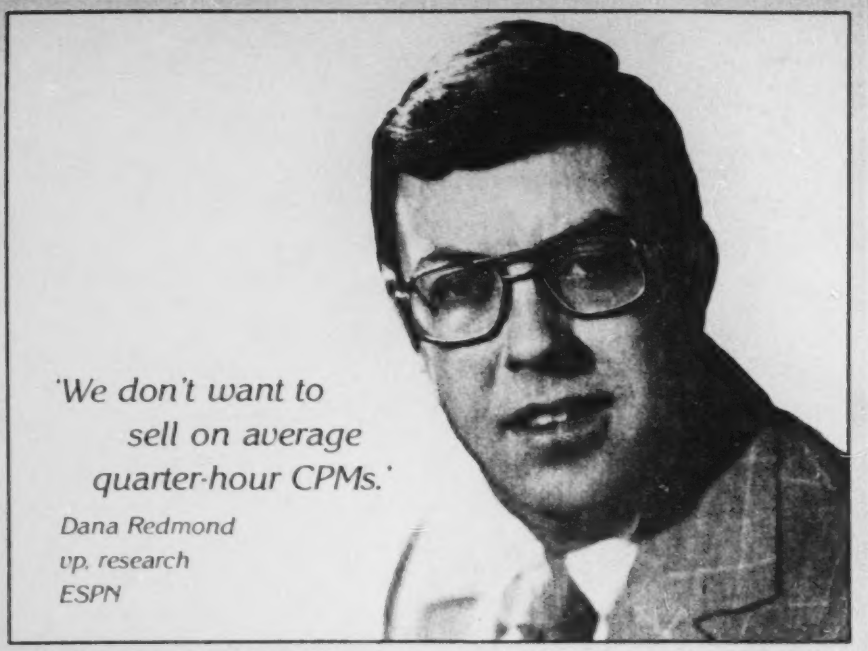
Getty Oil, Hoffman speculates, will phase itself out of ESPN, while ABC phases in. ESPN will become a pay network, with ABC's support, Hoffman predicts. "Anything people want to watch they will pay for, and you can get from two to 10 times more money from viewers than from advertisers."

If USA Cable Network's broad appeal programming concept does not improve, Time Inc. might very well close down that shop as an ad-supported service. "In theory, USA's broad appeal idea should broaden revenues, but they need a better program block," says Hoffman.

Just who might go down first or go pay is anybody's guess, but the services about which there is such speculation are Hearst/ABC's ARTS, and CBS Cable, the two ad-supported cultural networks.

CBS Cable's plan to get $20 million in advertising support in its first year is bluntly characterized as "insane," by analyst Hoffman, who says the projection was "a willful distortion of the facts to get (Chairman William) Paley to agree. Now the die is cast."

But James Joyella, CBS Cable vice president of advertising sales, counters that the cultural network "will be in the black," as an ad-supported channel by 1984, and that 1982's ad sales should approach the



'We don't want to sell on average quarter-hour CPMs.'

Dana Redmond
vp, research
ESPN

$20 million predicted for 1981. Joyella maintains that the 1981 figure was off only because the service launched in October and not in the spring, as had been originally planned.

While Joyella admits that CBS Cable almost went pay in late 1981, James Perkins, president of Hearst/ABC Video Services, which produces both ARTS and the new Daytime women's service program block, will not even speculate on whether the cultural service will go to pay for survival.

"It is the intention of Hearst/ABC to produce a service called ARTS and they are committed to that," Perkins says stiffly.

But agency observers generally believe that only one ad-supported cultural network can survive, and it is at CBS Cable and ARTS that the problems of audience size and media efficiencies are the most evident.

"It's a long haul for both," says Leo Burnett vice president of media research, Jack Hanrahan. Adds Doyle Dane Bernbach's Jay James, "When you factor in the costs with the subscriber base, the culture networks don't look like an efficient buy."

Just as there is going to be fierce competition between ARTS and CBS Cable, and fierce competition between ESPN, USA and WTBS for sports programming, there is also a battle brewing for the daytime audience between the newly packaged USA Daytime and Daytime from Hearst/ABC.

Agencies are skeptical about both services. Judging by the support time buyers have given to USA Cable in other dayparts, and by their initial acceptance of the Hearst/ABC concept, there is a prevalent belief that neither service is as attractive a vehicle as it must be to survive against the soap operas on ABC, CBS and NBC, or the movies on independent stations.

Leo Burnett's Jack Hanrahan says USA's recent daytime changes "haven't helped," and he rates Daytime on the low side of five on a scale of 1 to 10.

"I don't think Daytime is going to make it," Hanrahan states flatly. "They're programming for an audience that's not there in sufficient numbers, and in a program area where there is broadcast programming in place which is extremely attractive."

Bozell and Jacob's John Gudelanis is just as blunt about the USA Daytime format. Gudelanis says he is monitoring USA in all its segments on a "day-by-day basis."

"I used to find it easy to evaluate USA," Gudelanis says, "but now they're trying to be everything to everybody. The USA Daytime programming is half filler. *Sonya* is another talk show, and the movies the independent stations already do. There's no real reason for an advertiser with a scatter market to look to USA Daytime. If a client wants a daytime talk show why not go with *Donahue*?"

Louis Schultz, senior vice president and associate media director in Campbell-Ewald's Chevrolet division, agrees with Gudelanis. "USA needs a conception of where it wants to be in the long haul," says Schultz, adding that he doesn't know if there is a need for another general entertainment network, patterned after existing broadcast vehicles. "Even with backing they could go toes up," Schultz says.

Different loyalties

No advertiser or ad agency cares whether CNN, WTBS, ESPN, USA or anything else, thrives or even survives in present conformations under present owners. Agencies say bluntly they are loyal to program concepts that attract eyeballs to television sets, a criterion shared by many cable operators.

So, the work is cut out for the ad-supported networks: Find an identity, an audience for the programming, and documentation to prove that audience, or else find another business.

Furthermore, while costs are now being absorbed for many networks or cross-subsidized by other ventures (such as SPN's Southern Satellite Systems operations), and, in some cases, by operators paying 10 cents or 15 cents per subscriber, there's only so much money in any corporate parent's pocket, and operators are much more vocal in rejecting any payment for services today than even six months ago.

More realistic pricing and much more standardized research supplied by the entire cable industry can prevent any severe wounding of ad-supported cable. But, finally, it will be fundamental, bottom-line business decisions—on the part of corporate parents, cable system operators and advertisers—that will determine which services will be around next spring and the spring after that.

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Interactive homes

Pilot projects gather data for electronic shopping, banking and other areas

NEW YORK—At least a dozen experiments in interactive home shopping and banking are now taking place in the U.S. or are due to come on line later this year. Some are tied into electronic publishing tests, while others are piggybacked onto cable TV activities. Indeed, the whole matter of electronic home transactions remains largely a matter of definition. For example, direct-response marketing—electronic catalog shopping—has been successfully operated on QUBE and on the new Adams Russell/J. Walter Thompson service in Massachusetts.

But purists might accept only the handful of truly interactive tests now being conducted by banks around the country. At this stage, even these projects offer only limited services, such as checking balances in customer accounts, moving funds between accounts and electronic bill-paying. But many of these ventures are beginning to branch out and offer additional services, financial and otherwise. Videograms and merchandise ordering are now part of the service, as are access to electronic publishing databases such as The Source and CompuServe.

In the cable TV arena, the most comprehensive services now available on an experimental basis are Cox Cable's INDAX and Times Mirror's videotex systems, both in Southern California. Cox's experimental system (300 homes in San Diego) was more than a year late in starting up—and its fully commercial cousins are scheduled to go into operation on new Cox franchises in Omaha, Neb., and New Orleans later this year. The Cox arrangement in San Diego involves HomeServ and ViewMart (both affiliated with American Can Corp.'s Fingerhut direct marketing subsidiary), which are coordinating the local participation of several banks and retail stores.

Times Mirror's project, operating on a two-way cable system in Mission Viejo, Calif., and via a telephone loop in nearby Palos Verdes, also offers financial and marketing services. The system includes novelty services (such as an electronic greeting card exchange, put together by Hallmark) and advanced "gateway" facilities; a gateway is a means for a customer to reach into another computer by funnelling through the system operator's computer. In the case of Times Mirror's videotex system, customers can look up their accounts in the Bank of America computer or they can jump directly into the database of the Official Airline Guide to find flight schedules for their airplane travel. This gateway concept is foreseen as a fundamental expansion of teleservices, permitting service providers to maintain more immediate control over how the data and services are used.

Elsewhere, First Bank Systems, a bank holding company based in Minneapolis, will soon start up its "FirstHand" service in Fargo, N.D. FBS is using the French Teletel technology and is now building a roster of information and service providers—with a heavy emphasis on material use to the agricultural community.

CBS and AT&T will launch a service to 200 homes in Ridgewood, N.J., this fall. Much of the information will come from CBS' own resources, but the project will include a variety of direct-marketing services. Notably, CBS' direct-mail subsidiary (Columbia House, the merchandiser of record and book clubs) will develop teleshopping services for the experiment.

Meanwhile, AT&T is also taking part in the Viewtron project in South Florida. Knight-Ridder Newspapers' subsidiary, Viewdata Corp. of America, is coordinating that project, which completed a 13-month test last fall. In the summer of 1983, a commercial service will start up, offering about 5,000 homes the opportunity to retrieve information, shop, bank and perform other services from a home terminal.

Several projects are underway in New York. Citibank's HomeBase project has put several hundred specially built terminals into customers' homes in the metropolitan area. Chemical Bank's Project Pronto is using 200 Atari microcomputers for its test, which is expected to add a number of new offerings later this spring. Chase Manhattan bank is just beginning in the electronic at-home banking arena, probably using some of the French technology.

First Interstate Bank in Los Angeles is offering a service using off-the-shelf Radio Shack equipment. And one of the first banks to plunge into the business, in Knoxville, Tenn., United American Bank, has been providing its "Bank-at-Home" service for nearly two years, also using Radio Shack home computers which it partially paid for to place in homes of test participants. *—Gary Arlen*

TELESERVICES BOX SCORE

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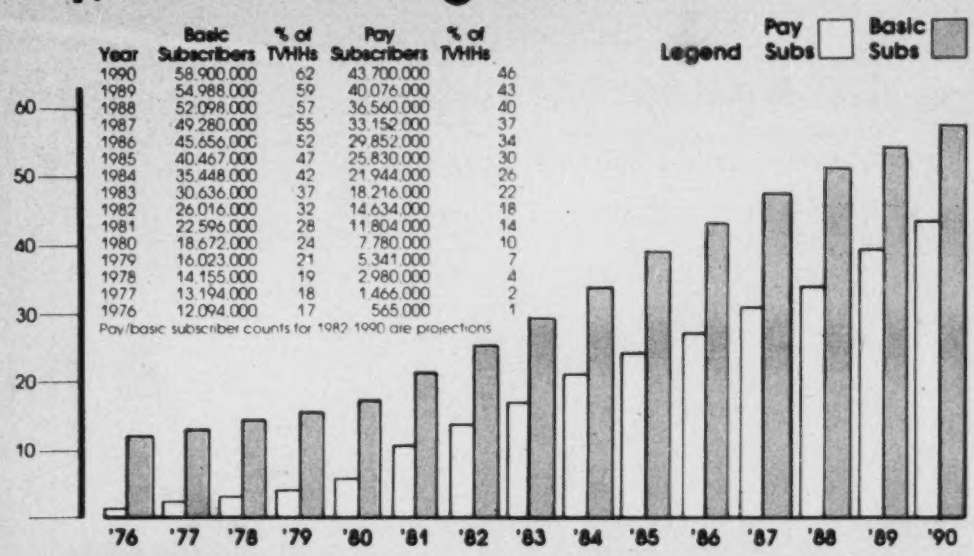
Service	Operator, Location	Number of Homes
Project Pronto	Chemical Bank, New York	200
HomeBase	CitiBank, New York	200
Day-and-Night Video Banking	First Interstate Bank, Los Angeles	200
Bank-at-Home	United American Bank, Knoxville	200
Times Mirror Videotex	Palos Verdes, California—telephone connection	200
	Mission Viejo, California—cable TV connection	150
FirstHand	First Bank Systems, Minneapolis Starts Summer 1982	250
CBS/AT&T Videotex	Ridgewood, NJ Starts October 1982	200
Viewtron	AT&T/Knight-Ridder Newspapers Resumes Summer 1983	5,000
ConTelVision	Continental Telephone, Manassas, VA starts late 1982	100
INDAX	Cox Cable (experiment), San Diego	300
	Cox Cable, Omaha, New Orleans starts late 1982	new franchises

Pay/basic cable growth

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58,900,000	62	43,700,000	46
1989	54,988,000	59	40,076,000	43
1988	52,098,000	57	36,560,000	40
1987	49,280,000	55	33,152,000	37
1986	45,656,000	52	29,852,000	34
1985	40,467,000	47	25,830,000	30
1984	35,448,000	42	21,944,000	26
1983	30,636,000	37	18,216,000	22
1982	26,016,000	32	14,634,000	18
1981	22,596,000	28	11,804,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1982-1990 are projections



Cable barometer

Television households (TVHH) ... 80,700,000

Homes passed by cable (HP) 42,000,976

Percent of TVHH passed by cable 52.05%

Basic cable subscribers 22,821,167

Percent of TVHH with basic cable . 28.28%

Percent of HP with basic cable . 54.34%

Pay cable subscribers 12,051,461

Percent of TVHH with pay cable .. 14.93%

Percent of HP with pay cable .. 28.69%

Percent of basic subs with pay cable 52.81%

1981 cable TV franchise awards

State/location	Company name	Month[1]	Homes[2]
Alabama			
Montevallo	Omni	Mar.	800
Arizona			
Glendale	Storer	Dec.	35,000
Scottsdale	United	Nov.	44,000
Tucson	Cox	Oct.	135,000
California			
Buena Park	Teleprompter	Jan.	
Burlingame	Capital Cities	Feb.	
Commerce	Buena Vista	Jul.	
Compton	Heritage	Nov.	22,000
Covina	Six Star	Aug.	
Del Mar	Daniels	Mar.	
Hidden Hills	Cable America		500
Ladera Heights, Baldwin Hills, Lennox	Jack Barry Cable Television	Sep.	12,000
La Mirad	Rogers	Aug.	12,000
Mountain View	Viacom	Jun.	30,000
Norton AFB	Field Comm.	Jun.	
Norwalk	Falcon	Mar.	
San Marino	ATC	Apr.	4,400
Santa Ana	Teleprompter	Dec.	65,000
Santa Fe Springs	Rogers Cable	Oct.	92,116
Seal Beach	Teleprompter	Oct.	13,900
South El Monte	Heritage	Aug.	22,000
Stanton	Rogers	May	9,000
Union City, Villa Pk.	Storer		
Colorado			
Highlands Ranch	ATC	Aug.	30,000
Connecticut			
Lower Fairfield County	Cablevision Systems	Aug.	120,000
Florida			
Coral Gables	Colony	Jul.	18,000
Kenneth City	Vision Cable		
Miami	Americable/TCI	Oct.	
Pinellas Park	Vision Cable		
Plant City	Plant City Cablevision	Dec.	
St. Johns County	Arvada Clearview	May	
West Hernando County	Centel	Aug.	3,500
West Pasco County	Storer	Jun.	
Georgia			
Alpharetta	Cable America		1,100
College Park	Cable America	Jun.	11,000
East Point	Cable America	Apr.	16,000
Lithonia	Cable America	Dec.	3,000
Pine Lake	Cable America		2,500
Stone Mountain	Cable America		5,000
Illinois			
Barrington	Centel	Mar.	3,300
Batavia	Multimedia	Feb.	5,000
Bellwood	MetroVision	Aug.	
Blue Island	MetroVision	Jan.	
Calumet Park	Continental		
Chicago suburbs (Buffalo Grove, Elkgrove Village, Hoffman Estates, Palatine, Rolling Meadows)	Warner Amex	Dec.	50,208
Chicago Heights	TCI	May	
Deerfield	Capital Cities	May	
Dolton	Continental	Aug.	
Evanston	Cablevision Systems	Mar.	13,500

Cable stats

State/location	Company name	Month[1]	Homes[2]
Evergreen Park	Multimedia	Feb.	9,000
Farmer's City	Centel	Jul.	650
Fox Lake	US Cable	Jan.	
Glen Ellyn	Teleprompter	Apr.	8,500
Glenview	Cablenet	Feb.	
Harvey	Multimedia		
Highland Park	Capital Cities	May	
Hometown	Multimedia	Aug.	
Kenilworth	Cablenet	Feb.	
Kildeer	Centel	Sep.	500
Lake County (north)	U.S. Cable of Waukegan	Dec.	
Lake County (south central, unic.)	Centel	Dec.	
Lansing	Centel	Nov.	9,000
Lisle	Multimedia		
Markham	Multimedia		
Niles	Cablevision Systems	Aug.	
Northbrook	Cablenet	Feb.	
Northfield	Cablenet	Feb.	
O'Fallon	Continental		
Park Forest South	Centel	Sep.	2,300
Skokie	Teleprompter	Dec.	21,000
Steger	TCI	Jul.	
Thornton	Centel	Dec.	
Warrenville	Centel	Mar.	2,000
Westchester	Continental		
Western Springs	Centel	Aug.	4,400
Wilmette	New Trier Cable	Feb.	1,490
Winfield	Centel	May	
Winnetka	Cablenet	Feb.	
Woodridge Village	Cablevision Systems	Dec.	8,600
Indiana			
Advance	Quality CATV	Feb.	
Dyer	US Cable	Jan.	
Frankton	Quality CATV	Nov.	
Gary	Gary Communications/TCI	Aug.	
Hamilton County	Quality CATV	Aug.	
Hancock County	Quality CATV	Dec.	
Hendricks County	Quality CATV	Dec.	
Hillsboro	Quality CATV	Aug.	
Indianapolis	ATC	Feb.	140,000
Kirkland	Quality CATV	Mar.	
Montgomery County	Quality CATV	Jun.	
New Chicago	US Cable of Northern Indiana	Jun.	
New Palestine	Quality Cable of Sheridan	Aug.	
New Ross	Quality Cable	May	
North Salem	Quality Cable	May	
Orstes	Quality Cable	Dec.	
Ossian	Citizens Cable	Feb.	
Waynetown	Quality CATV	May	
Whitestown	Quality CATV	May	
Whiting	US Cable of Northern Indiana	Aug.	
Iowa			
Denver	Heritage	Dec.	
Dysart	Heritage		
Polk City	Heritage		
Traer	Heritage		
Waukee	Heritage	May	
Kansas			
Bel Aire	Multimedia		
Kechi	Multimedia		
McConnel AFB	Multimedia		
Park City	Multimedia		
Kentucky			
Bullitt County	Matrix	Jan.	10,000
Campbell County	Storer	Jul.	
Eminence	Shelby Cable TV Co.	Jan.	
Indian Hills	CPI of Louisville	Jan.	
Keeneland	CPI of Louisville	Mar.	
Lexington	TeleCable		
Middletown, Manor Creek	Storer of Jefferson County	Jul.	
Oldham	Oldham County Cablevision	Oct.	10,000
Louisiana			
Morganza	Wometco		
St. James Parish	Wometco		
Washington	Wometco		
Maryland			
Prince Georges County:			
North	Storer	Dec.	120,000
South	MetroVision	Dec.	100,000
Massachusetts			
Andover	Rollins	May	8,690
Boston	Cablevision Systems	Jul.	250,000
Brockton	Continental	Oct.	35,000
Brookline	Times Mirror	Sep.	
Clinton	Wachusett Cablevision	Jul.	4,000
Dracut	Rollins	Jan.	7,100
Essex	New England Cablevision	Jul.	1,050
Fairhaven	Cablevision Industries	Jan.	6,437
Franklin	Rollins	Mar.	5,675
Hatfield	Continental		
Ipswich	Ipswich Cablevision	Jun.	3,400
Kingston	Campbell Communications	Apr.	2,261
Manchester	New England Cablevision	Jun.	2,000
Lynnfield	Adams-Russell	Oct.	3,572
Maynard	Adams-Russell	Mar.	3,886
Milford	Colonial Cablevision	Jun.	8,915
Newbury	American Cablesystems	May	2,100
North Reading	Rollins	Nov.	
Norwood	Adams-Russell	Jun.	10,100
Quincy	American Cablesystems	Feb.	33,500
Somerset	Rollins	Jan.	5,430
Southampton	Greater Media	Nov.	800
Springfield	Continental	Sep.	57,340
Swansea	Rollins	Jan.	4,600
Taunton	UA-Columbia	Feb.	14,000
Wakefield	Warner Amex	Mar.	9,105
Watertown	Continental	Jan.	13,020
Westwood	Adams-Russell	Dec.	4,225
Williamsburg	Continental		
Michigan			
Belleville	Capital Cities	Apr.	1,300
Dearborn	Teleprompter	Apr.	35,000
Hazel Park	Continental		
Inkster	Barden Cablevision	Oct.	
Oak Park	Continental		
Riverview	United Cable	Aug.	4,791
Royal Oak	Barden Cablevision	Oct.	

Cable stats

State/location	Company name	Month[1]	Homes[2]
Shelby	Comcast	Mar.	
Southfield	Continental	Oct.	33,000
Trenton	United	Mar.	7,700
Minnesota			
Alvarado	Alvarado Cable TV	Aug.	162
Argyle	Argyle Cable TV	Jan.	310
Brainerd	Teleprompter	Jul.	
Columbia Heights, Hilltop	Teleprompter	Nov.	7,700
Courtland	Sleepy Eye CATV	Jul.	143
Eden Prairie, Edina, Hopkins, Minnetonka, Richfield	Rogers	Feb.	57,000
Granada	Granada CATV	Aug.	
Hawley	Hawley Communications	Apr.	615
Henning	Henning Cable TV	Aug.	360
Jordan	Valley View Cable	Jun.	1,000
Luverne	Zylstra Communications	Mar.	1,804
Mankato	ATC	Feb.	
Minneapolis suburbs—Northwest Suburban Consortium: Brooklyn Park, Brooklyn Centre, Crystal, Golden Valley, Maple Grove, New Hope, Osseo, Plymouth, Robbinsdale	Storer	Sep.	
New York Mills	Town "N" Country Video	Jan.	467
Worthington	Zylstra Communications	Apr.	
Missouri			
Arnold	Community Cablevision	Apr.	
Brentwood	Continental	Apr.	
Clayton	Continental	Feb.	5,730
Crystal City	Community Cablevision	Feb.	
DeSoto	Community Cablevision	Feb.	
Festus	Community Cablevision	Feb.	
Franklin County	Cable World Inc.	Mar.	
Herculaneum	Community Cablevision	Feb.	
Hillsboro	Community Cablevision	Apr.	
Houston Lake	American Cablevision	Aug.	
Liberty	American Cablevision	Apr.	
North Woods	Continental		
Olivette	Warner Amex	Aug.	
Overland	Continental	Feb.	
Pevely	Community Cablevision	Feb.	
Pine Lawn	Continental	Feb.	
Richmond Heights	Warner Amex	Dec.	
St. Louis	TCI	Apr.	
St. Louis County:			
A/Far North	Storer	Apr.	37,000
B/Mid North	ATC	Apr.	28,000
C/Southwest	Warner Amex	Apr.	21,000
D/West	United	Jun.	43,000
E/Far South (Mehlville)	Sammons	Jun.	29,000
F/Northwest	American Cablevision	Aug.	
Springfield	Telecable		
Times Beach	Warner Amex	Jul.	
Warson Woods	Telcom Cablevision Inc.	May	650
Nebraska			
Pierce	Cablecom General	Feb.	
Pierce County	Cablecom General	Nov.	
Unic. Sarpy County	Cablevision of Plattsmouth	Jul.	300
Tilden	Cablecom General	Feb.	
Nevada			
Clark County	Community Cable TV/Times Mirror	Sep	
New Jersey			
Bernard Township	Cross Country Cable	May	
Passaic Township	Commonwealth Cable Systems	Mar.	2,325
Paterson	Passaic County Cable	Apr.	50,000
Princeton Township	Dow Jones/Prime Cable	Feb.	5,000
Woodstown	Penn Communications	Oct.	
New York			
Albion	Global CATV	May	
Cedarhurst	Cablevision systems	Feb.	
Cold Spring	US Cablevision	Jul.	
Collins	US Cable	Jun.	
Concord	US Cable	Apr.	
East Hills	Cablevision Systems	Aug.	
East Randolph	US Cable	May	
Floral Park	Cablevision Systems	Feb.	
Garden City	Cablevision Systems	Feb.	
Gowanda	US Cable	Jun.	
Great Neck	Cox	Feb.	11,500
Hudson Valley	Adams-Russell	Feb.	
Lawrence	Adams-Russell	Sep.	2,000
Lynbrook	Adams-Russell	Apr.	8,300
Mamaroneck, Larchmont	UA-Columbia of Westchester	Mar.	
Perrysburg	US Cable	Jun.	
Poquott	Brookhaven Cable	Mar.	
Port Chester	Adams-Russell	Jul.	9,200
Randolph	US Cable	May	
Rockville Centre	Cablevision Systems	Jun.	
Rye	UA-Columbia of Westchester	Mar.	
Springville	US Cable	Mar.	
Summers	Adams-Russell	Aug.	4,543
Yorktown	Adams-Russell	Feb.	9,000
North Carolina			
Farmville	Wometco		
Four Oaks	Wometco		
Guilford County	Wometco		
Morrisville	Wometco		
Pitt County	Wometco		
Rolesville	Wometco		
Stoneville	Wometco		
Wakeforest	Wometco		
Wendell	Wometco		
Ohio			
Avon, Avon Lake	Continental Cablevision	Oct.	

Cable stats

State/location	Company name	Month[1]	Homes[2]
Berea	Complexicable	Sep.	
Brunswick	Brunswick Cable	Oct.	
Fairport Harbor	Continental Cablevision	Oct.	
German Township	Centel	Dec.	1,400
Highland Heights	Viacom	Dec.	
Lawrenceville	Centel	Dec.	80
Macedonia	Western Reserve Cablevision	Feb.	
Maumee	Buckeye	Jan.	
Milford Center	Centel	Jan.	400
North Hampton	Centel	Dec.	170
Northwood	Condor Cablevision Co.	Dec.	
Painesville	Continental	Feb.	
Pleasant Township, Harrisburg	Able Communications	May	
Prospect	Centel	Apr.	800
Richwood	Centel	Apr.	800
Riveredge	Riveredge Cablevision	Dec.	
Timberlake	Continental Cablevision	Oct.	
Twinsburg	Western Reserve Cablevision	Feb.	
Oklahoma			
Erin Springs	Multimedia		
Grandfield	Southwest Cable TV	Feb.	
Oregon			
East Portland	Cablesystems Pacific/Rogers	Mar.	
Newburg, Dundee	Liberty	Oct.	
Washington County	Storer-Metro	Dec.	
Pennsylvania			
Middletown	Alda Group	Jun.	
Northampton	CMR Corp.	Feb.	
South Carolina			
Campobello	US Cable	May	
Central Pacolet	US Cable	Apr.	
Chesnee	US Cable	Jun.	
Colleton County	Storer		
Cowpens	US Cable	Feb.	
Duncan	US Cable	Mar.	
Inman	US Cable	Jan.	
Landrum	US Cable	May	
Lyman	US Cable	Mar.	
Newberry County	Acton Corp.		
Pacolet	US Cable	Feb.	
Pacolet Mills	US Cable	Apr.	
Pine Ridge	Wometco		
South Congares	Wometco		
Spartanburg County	US Cable	Mar	
Wellford	US Cable	Mar.	
Tennessee			
Ashland City	Cablevision Enterprises of TN/TCA	Nov.	
Collierville	Heritage	Apr.	
Fairview	Visual Communications	Feb.	
Germantown	Germantown Cablevision	Dec.	
Memphis	Memphis CATV/ATC	Feb.	
Rutherford County	Murfreesboro TV/ Rutherford Co.	Feb.	
Texas			
Arlington	Telecable		
Cockrell Hill, Lakeside, Rockside, Oak Ridge, Beauvilla	Storer	Mar.	160,000
Fort Worth	Sammons		
Grafford	B&F Communications Systems	Aug.	
Irving	Teleprompter	Apr.	45,000
Laredo	Vumore Co.	Jul.	
Plano	Collin County Communications/ Storer	Dec.	20,000
Seadrift	Stellar TV Inc.	Mar.	
Utah			
Fruit Heights	Wasatch Cable	Nov.	
Vermont			
Bartonsville	Youngs Community TV		
Colchester, Milton, Georgia	Lake Champlain Cable Television		
Colchester (part)	Greenmountain CATV/Telesystems		
Forestdale (in Brandon)	Forestdale Cable Co.		
Mendon (part)	Rutland CATV-Telesystems		
North Clarendon	McClellan Appliances		
North Hyde Park, adjacent Johnson	EMCO CATV		
Wells	EMCO CATV		
Virginia			
Ashland	Continental		
James City County	Continental		
Suffolk	Cross Country Cable	Sep.	11,600
Washington			
Seattle	Telepromter	Feb.	
Vancouver/ Clark County	Cox	Jul.	
Washougal	Woodstock Radiant TV/ US Cablesystems	May	2,000
Wisconsin			
Cedarburg	Total TV of Ozaukee County	Feb.	
Cudahy	Viacom	Apr.	
Fox Point, Glendale	Viacom	Feb.	
Greenfield	Viacom	Feb.	
Greendale	Viacom	Apr.	
Hales Corners	Southwest Cablevision	Aug.	
Kewaskum	River Bend Cablevision	Feb.	
Mequon	RVS Cablevision	Dec.	
Muskego	RVS Cablevision	Nov.	
Sankville	RVS Cablevision	Feb.	
St. Francis	RVS Cablevision	Jul.	
Thieusville	RVS Cablevision	Apr.	
Verona	Viking CATV	May	

[1] Month refers to the effective franchise date.
[2] Homes refers to the number of homes in the franchised area.

Top 100 MSOs

Rank	Multiple System Operator	Basic Subs	Pay Units
1.	Tele-Communications Inc.	1,900,000	N.A.
2.	American Television and Communications	1,900,000	1,568,000
3.	Group W Cable	1,642,381	977,182 (1/82)
4.	Cox Cable Communications	1,131,981	1,003,398
5.	Storer Cable Communications	920,000	1,030,000
6.	Warner Amex Cable Communications	907,266	623,696
7.	Times Mirror	675,847	427,209 (2/82)
8.	Newhouse Broadcasting[1]	618,723	488,568
9.	Rogers-UA Cablesystems	589,385	568,787
10.	Viacom Cablevision[2]	532,440	374,338
11.	Continental Cablevision	484,000	472,000
12.	United Cable Television Corp.	475,268	390,555
13.	Sammons Communications	456,593	233,145
14.	TeleCable Corp.	309,900	168,200
15.	Capital Cities Cable	297,420	181,168
16.	General Electric Cablevision Corp.	295,000	150,000
17.	Heritage Communications	248,231	164,077
18.	Comcast Corp.	228,473	198,177
19.	Liberty Communications	226,000	104,000
20.	Cablevision Systems Development	225,107	219,959
21.	Daniels & Associates Inc.	220,300	114,600
22.	Wometco Communications Inc.	202,912	165,270 (4/7)
23.	Tele-Media Corp.	200,800	N.A.
24.	Service Electric Cable TV	189,000	N.A.
25.	TCA Group	181,718	49,736
26.	Maclean Hunter	170,642	234,616
27.	Century Communications	169,500	102,000
28.	Multimedia Cablevision Inc.	160,734	169,161
29.	Colony Communications	148,909	123,862 (3/20)
30.	Western Communications Inc.	148,900	47,500
31.	Jones Intercable Inc.	141,440	76,666
32.	Prime Cable	128,403	101,967
33.	Central Cable Television Co.	120,189	79,382
34.	Harris Cable Corp.	116,500	76,270
35.	Midwest Video	114,615	N.A.
36.	Communications Service Inc.	110,000	N.A.
37.	Tribune Company Cable	108,375	78,264
38.	Rollins Cable Vue Inc.	107,600	53,300
39.	McCaw Communications[3]	101,855	38,312
40.	Communications Systems Inc.	89,302	151,281
41.	Harron Communications Corp.	89,093	N.A. (12/81)
42.	Buckeye Cablevision	88,454	34,931
43.	Cable Vision Industries	88,343	43,955
44.	Sutton Capital Group[4]	87,500	N.A. (2/82)
45.	Armstrong Utilities[5]	85,284	50,904
46.	Omni Cable TV Corp.	78,099	60,345
47.	Cablentertainment	77,836	22,194
48.	Multi-Channel TV Cable Co.	75,332	N.A.
49.	Palmer Communications	75,229	16,787
50.	McDonald Group	74,793	44,975
51.	Adams-Russell Co.	72,110	50,465
52.	Alda Group	69,256	99,319
53.	Perry Cable TV Corp.	67,567	28,269 (2/82)
54.	King Videocable Co.	65,930	28,435
55.	Buford Television	64,395	38,958 (12/81)
56.	Summit Communications	62,728	60,616 (4/5)
57.	Omega Communications	60,000	N.A.
58.	WEHCO Video	59,794	28,655
59.	Televents	58,060	24,827
60.	Booth Communications	55,614	24,058
61.	Coaxial Communications	55,288	N.A.
62.	American Cablesystems Corp.	55,000	40,000
63.	Cable America	55,000	N.A.
64.	National Telecommunications Co.	54,950	16,500
65.	Pencor Services Inc.	54,046	17,358 (2/28)
66.	Gulf Coast Cable Television Ltd.	53,436	24,845
67.	The Essex Group	53,156	18,607
68.	US Cable Corp.	51,418	62,627
69.	Consolidated Cable Systems	50,600	N.A. (1/82)
70.	Ultracom Inc.	48,139	N.A. (1/82)
71.	Acton Corp.	47,682	31,743
72.	Total TV Inc.	44,527	34,219
73.	Cable TV of Puget Sound	44,042	23,277 (4/3)
74.	Sonic Cable TV	43,642	N.A. (7/81)
75.	Adelphia	43,551	18,392
76.	Clear TV Cable Corp.	43,400	N.A.
77.	Falcon Communications	43,000	N.A.
78.	Greater Media	40,775	22,906
79.	Lenfest Group	40,250	23,100
80.	Susquehanna Broadcasting	40,182	14,215
81.	The Daily Press	40,000	34,000
82.	Nor-Cal Cablevision (McClatchy-Viacom)	39,932	15,959
83.	National CableSystems Inc.[6]	34,382	16,067 (4/1)
84.	Joseph S. Gains	33,300	6,500
85.	Oak Communications	33,250	21,152
86.	Columbia Communications	31,645	54,757 (4/1)
87.	Sellrik Communications	30,789	37,331 (4/1)
88.	Commonwealth Cable of Massachusetts	28,313	17,266 (3/20)
89.	Heilicon Corp.	28,000	10,900
90.	Lawrence Flint, Jr.	26,952	22,698
91.	American Cable Television Inc. (Phoenix, AZ)	26,585	32,289
92.	Midcontinent Cable Systems	26,000	10,000
93.	Gerity Cablevision	25,730	12,046
94.	Matrix Enterprises	25,251	N.A.
95.	Mid America Media	24,700	8,300
96.	Cable Holdings Inc.	24,482	20,000 (1/82)
97.	Potomac Valley TV Co.	24,247	7,357
98.	Mickelson Media	23,307	15,256
99.	FNI Communications	23,307	15,256
100.	Telfron Inc.	23,147	11,452 (4/1)

[1]Newhouse Broadcasting includes MetroVision, NewChannels, Vision Cable.
[2]Viacom Cablevision includes 40% ownership in Nor-Cal Cable.
[3]McCaw Communications includes acquisition of Southern Oregon Cable.
[4]Sutton Capital Group includes systems owned and with controlling interest.
[5]Armstrong Utilities includes Armstrong Communications Corp., National Cable TV Corp., North Lauderdale Cable.
[6]National CableSystems includes systems owned and/or managed.

Top 100 systems

Rank	Location	Operator	Basic Subs	Pay Units
1.	San Diego, CA	Cox Cable	213,760	122,654
2.	Manhattan, NY	ATC	156,250	87,850
3.	Oyster Bay (Long Island), NY	Cablevision Systems	149,552	N.A.
4.	West Orange, NJ	Maclean Hunter	135,383	161,599
5.	Los Angeles, CA	Group W Cable		
6.	Wayne, NJ	Rogers-UA Cablesystems	104,286	101,033 (4/6)
7.	San Antonio, TX	Rogers-UA Cablesystems	102,856	188,740 (4/6)
8.	Tulsa, OK	United Cable	99,220	85,987
9.	Erie County, NY	Prime Cable	92,965	65,311
10.	San Jose, CA	Gill Industries		
11.	Audubon, NJ	NYT Cable	89,600	94,568
12.	Tidewater, VA	Cox Cable	85,297	126,326
13.	Austin, TX	ATC	83,500	44,850
14.	Central Islip, NY	Viacom	81,277	59,230
15.	Orlando, FL	ATC	79,100	66,750
16.	Jefferson Parish/Kenner, LA	Cox Cable	73,780	107,000
17.	Grand Rapids, MI	General Electric	70,500	37,700 (4/15)
18.	Toledo, OH	Buckeye Cablevision	70,447	29,703
19.	Hartford/Meriden, CT	Times Mirror	70,392	49,587 (2/82)
20.	Manhattan, NY	Group W Cable		
21.	Seattle, WA	Group W Cable		
22.	Wilmington, DE	Rollins Cable	68,000	31,300
23.	Honolulu, HI	ATC	67,550	60,500
24.	San Diego, CA	ATC	63,100	37,300
25.	South Bend, IN	Buford	63,000	N.A.
26.	San Francisco, CA	Viacom	62,137	37,199
27.	Baton Rouge, LA	Daniels	59,900	N.A.
28.	Flint, MI	Comcast	58,961	31,872
29.	Memphis, TN	ATC	58,250	86,950
30.	Wichita, KS	Multimedia Cable	57,446	74,830
31.	Monterey, CA	Western	57,300	14,800
32.	Buffalo, NY	Minneapolis Star	57,239	46,238 (4/3)
33.	Jacksonville, FL	ATC	57,200	76,050
34.	Santa Barbara, CA	Cox Cable	56,980	25,200
35.	Columbus, OH	Warner Amex	56,000	N.A.
36.	Allentown, PA	Twin County	55,000	N.A.
37.	Melbourne, FL	ATC	54,750	24,575
38.	Baltimore County, MD	Coltec Cable	53,687	67,811 (4/2)
39.	Greater San Juan, PR	Harris Cable	53,333	N.A.
40.	Suburban Rochester, NY	People's Cable	53,115	39,048 (4/7)
41.	Harrisburg, PA	Sammons	52,066	24,543
42.	Snohomish County, WA	Viacom	51,444	26,635
43.	Binghamton, NY	NewChannels Corp.	52,137	25,219
44.	Seattle, WA	Viacom	49,647	34,782
45.	Boston Complex, MA	Warner Amex	49,200	N.A.
46.	Louisville, KY	Times Mirror	48,977	64,870 (2/82)
47.	El Paso, TX	Group W Cable		
48.	Columbus, OH	Coaxial Communications	48,288	N.A. (3/20)
49.	Canton, OH	Warner Amex	47,200	N.A.
50.	Reading, PA	ATC	46,550	23,800
51.	Sarasota, FL	Storer Cable	46,279	N.A.
52.	Des Moines, IA	Heritage	45,871	43,391
53.	San Rafael Aurin, CA	Viacom	45,854	19,535
54.	Shreveport, LA	ATC	45,550	28,550
55.	Pompano Beach, FL	American Cable TV	45,340	40,283
56.	San Diego County, CA	Times Mirror	45,221	13,483 (2/82)
57.	Peoria, IL	General Electric	45,059	24,035
58.	Akron, OH	Warner Amex	44,400	N.A.
59.	West Haven, CT	Storer	44,211	N.A.
60.	Eugene, OR	Group W Cable		
61.	Northwestern Houston, TX	Warner Amex	43,700	N.A.
62.	Charlotte, NC	ATC	43,250	30,450
63.	Albany, NY	ATC	43,050	24,900
64.	Spokane, WA	Cox Cable	43,330	43,278
65.	New Britain, CT	United	41,986	22,810
66.	Birmingham, AL	ATC	41,100	15,100
67.	Moline/Quint Cities, IL	Cox Cable	40,996	36,424
68.	Scranton, PA	Verto Cable TV	40,532	7,781
69.	Concord, CA	Western	40,500	15,100
70.	Dade/Broward Counties, FL	Storer	40,107	N.A.
71.	Lincoln, NE	MetroVision	40,000	17,746
72.	Bakersfield/Kern County, CA	Warner Amex	40,000	N.A.
73.	Charleston, SC	Storer	39,753	N.A.
74.	Brookhaven, NY	Rogers-UA	39,651	16,021 (4/6)
75.	Branford, CT	Rollins Cable	39,600	22,000
76.	Bridgeport, CT	Alda Group	39,480	N.A.
77.	Port Arthur, TX	Liberty Communications	39,314	18,766
78.	Jackson, MS	ATC	39,200	29,600
79.	Lansing, MI	Continental	39,000	26,000
80.	Rockford/Loves Park, IL	General Media	39,000	18,900
81.	Overland Park, KS	TeleCable Corp.	38,600	25,800
82.	Naples/Marco, FL	Palmer Communications	38,189	9,284
83.	Cleveland, OH	Viacom	37,903	46,502
84.	Winston-Salem, NC	Summit Communications	37,819	25,876 (4/5)
85.	Deerfield, NY	Harron Communications	37,047	N.A. (2/82)
86.	Palm Desert, CA	Palmer Communications	37,040	7,502
87.	Fayetteville, NC	ATC	37,000	23,250
88.	West Palm Beach, FL	Group W Cable		
89.	Stuart, FL	Perry	36,758	N.A. (2/82)
90.	St. Petersburg, FL	Group W Cable		
91.	Springfield, IL	Times Mirror	36,308	14,896 (2/82)
92.	Honolulu, HI	TV Systems Inc.	36,000	N.A. (2/82)
93.	Cleveland, OH	Cox Cable	35,756	63,707
94.	Dover, NJ	Sammons	35,334	16,346
95.	Beacon, NY	Colony Communications	34,988	N.A.
96.	Madison, WI	Complete Channel TV	34,500	19,500 (4/10)
97.	Waterbury, CT	Sammons	34,266	16,346
98.	Pensacola, FL	Cox Cable	34,265	28,423
99.	Cincinnati Suburbs, OH	Warner Amex	34,200	N.A.
100	Syracuse, NY	NewChannels	34,140	31,364 (4/9)

Note: Basic subscriber and pay unit counts are as of 3/31 unless noted otherwise.

Satellite-delivered cable television program services

Basic services	Satellite/ transponder	Start-up date	Affiliates 3/81	Affiliates 3/82	Subscribers 3/81	Subscribers 3/82	Percent growth	Price per subscriber	Programming hours
ACSN	Satcom III-R/16	10/79	132	214	590,000	1,387,186	135	5¢ (max.)	6 am-4 pm M-F 6 am-1 pm wkends
BET	Satcom IV/3	1/80	630	845	6,539,641	7,100,000	8.6	1¢	11 pm-2 am Fri (will change soon)
CBN	Satcom III-R/8	4/77	2,751	2,800	9,371,500	15,700,000	68	free	24/day
CBS Cable	Westar IV/3D	10/81	—	350	—	4,000,000	—	Free, 15¢ on tier	4:30 pm-4:30 am
CNN	Satcom III-R/14	6/80	983	2,142	5,373,887	11,815,650	120	15¢ w/TBS 20¢ w/o TBS	24/day
CNN2	Satcom III-R/15	1/82	—	83	—	870,000	—	free w/CNN 5¢ w/o CNN 10¢ on tier	24/day
C-SPAN	Satcom III-R/19	3/79	965	1,200	7,100,000	11,000,000	55	3¢	9 am-1 am
Daytime	Satcom III-R/22	3/82	—	250		4,200,000	—	free	1-5 pm
ESPN	Satcom III-R/7	9/79	1,739	3,545	8,915,015	15,382,371	73	4¢/original sub[1]	24/day
Eternal Word Television Network	Westar IV/10D	8/81	—	25	—	315,000	—	free	7-11 pm
MSN	Satcom III-R/22	1/79	465	541	3,500,000	4,100,000	17	free	10 am-1 pm M-F
MTV	Satcom III-R/11	8/81	—	600	—	4,000,000*	N.A.	free	24/day
National Christian Network	Satcom IV/7	6/80	—	30	—	318,684	—	free	14/day
National Jewish Television	Satcom III-R/16	5/81	—	86	—	1,837,500	—	free	1-4 pm Sunday
Nickelodeon	Satcom III-R/1	1/80	975	1,725	4,500,000	7,700,000*	71	15¢	14/day
North American Newstime	Satcom III-R/6	12/78	114	117	822,254	894,193	9	5¢ (avg.)	24/day
PTL	Satcom III-R/2	4/78	308	570	3,800,000	5,100,000	34	free	24/day
SIN	Westar IV/3X	9/79	100	175	2,652,100	21,393,490[2]		10¢ per Spanish surname paid to operator	24/day
SPN	Westar IV/11X	1/79	202	457	2,080,685	4,369,571	110	free	24/day
Trinity	Satcom IV/17	5/78	60	170	500,000	1,587,000	217	free	24/day
USA Network	Satcom III-R/9	9/77[3]	1,250	1,800	7,000,000	10,500,000	50	11¢ on basic 20¢ on tier	24/day
The Weather Channel	Satcom IV/21	5/82	—	—	—	—	—	free on basic charge on tier	24/day
WGN	Satcom III-R/3	11/78	1,413	2,605	5,356,051	8,176,200	53	fulltime-10¢ parttime-1¢	24/day
WOR	Satcom III-R/17[4]	4/79	725	1,309	3,280,000	4,864,600	48	10¢	24/day
WTBS	Satcom III-R/6	12/76	2,956	4,052	11,488,785	20,375,000	77	10¢	24/day

Basic audio services	Satellite/ transponder	Start-up date	Affiliates 3/81	Affiliates 3/82	Subscribers 3/81	Subscribers 3/82	Percent growth	Price per subscriber	Programming hours
Lifestyle	Satcom III-R/3	3/81	1	50	4,157	482,216	1,150	1¢	24/day
WFMT	Satcom III-R/3	8/79	47	121	364,588	738,440	103	1¢, 10¢ FM	24/day
Pay services									
Bravo	Satcom IV/6	12/80	26	26	63,000	48,300	-23	N.A.	8 pm-6 am
Cinemax	Satcom III-R/ 20 (east) 23 (west)	8/80	200	900	200,000	1,500,000	400	$3.20 or 35% of sub charge over $7.00	24/day
Escapade	Satcom IV/7	9/80	26	115	63,000	206,000	227	N.A.	8 pm-6 am
Galavision	Westar IV/12X	10/79	70	134	65,000	100,000	54	$4-$5	24/wkends 12/wkdays
HBO	Satcom III-R/ 13 (west) 24 (east)	9/75	2,500	3,300	6,000,000	8,500,000	42	$3.85 (est.)	24/day
Home Theater Network[5]	Satcom III-R/21	7/77	160	275	160,000	155,000	-3	$2.00	8 pm-10 am M-Sat
Home Theater Network Plus	Satcom III-R/16	3/82	—	N.A.	—	N.A.	N.A.	$2.95 (avg.)	4 pm-4 am
The Movie Channel	Satcom III-R/5	12/79	950	2,150	875,000	2,200,000*	151	$3.75	24/day
Showtime	Satcom III-R/	7/76	1,000	1,300	1,600,000	2,960,000	79	N.A.	24/day

[1] Network compensation, 5¢ per actual sub paid semi-annually.
[2] Total television households. Estimated Spanish-speaking households (including broadcast stations and translators): 2,772,500.
[3] Debut originally as Madison Square Garden Network; 4/80 debut as USA Network.
[4] Plans to move to Westar IV June 30 (when Cable Health Network debuts) until Westar V is launched and operational.
[5] Home Theater Network will be discontinued June 30, 1982, and replaced by Home Theater Network Plus.
* As of 5/1/82.